

# Utah

# ANNUAL OPERATING AND CAPITAL BUDGET

FISCAL YEAR 2012 - 2013



# ANNUAL OPERATING AND CAPITAL BUDGET FISCAL YEAR 2012 - 2013

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#### **How to Use This Document Effectively**

The budget document serves two distinct purposes. One purpose is to present the City Council and public with a clear picture of the services that the City provides. The other purpose is to provide City Management and Staff with a financial and operating plan.

The **TABLE OF CONTENTS** lists the major sections of the budget as well as information detailed in each section. The Table of Contents starts on page 7.

The **COTTONWOOD HEIGHTS PROFILE** section provides historical data and information about the City. This section assists both residents and non-residents in putting Cottonwood Heights' budget into perspective. The Cottonwood Heights Profile starts on page 13.

The **EXECUTIVE SUMMARY (BUDGET OFFICER'S MESSAGE)** summarizes the major issues and goals that drive the budget, the economic outlook that impacts the budget and the major policy and financial drivers that change the budget, and a general overview of the budget. This section also includes the GFOA Distinguished Budget Presentation Award. The Executive Summary (Budget Officer's Message) starts on page 33.

The **FY2012-13 OPERATING AND CAPITAL BUDGET** section provides the budget narrative with charts and graphs to more fully explain the financial history of the city, a discussion of major revenue sources with the assumptions and history related to them, a summary of key changes by department, and a staffing document with detail changes. The FY2012-13 Operating and Capital Budget section starts on page 43.

The **POLICIES AND PROCESSES** section provides key financial policies, a discussion of fund balance, the basis of measuring available revenue and expenditures, debt and debt limits, the fund structure and system of classifying revenue and expenditures, the mission and overall short term objectives of the City and accomplishments, a discussion of the budget development and administration process and budget control and management. The Policies and Processes section starts on page 63.

The **DEPARTMENTS, DIVISIONS AND PROGRAMS** section includes a discussion of each department along with their goals, objectives and targets of accomplishments, selected workload indicators, major accomplishments, discussion of service level adjustments, a five year look ahead, a financial summary of key changes with explanation and a detailed three year actual/budget history. Also included is the Capital Improvements Fund budget by project. The Departments, Divisions and Programs section starts on page 73.

The official **STAFFING DOCUMENT** sections show by department a detailed history of changes by position with a one year explanation of current changes from the prior fiscal year. The Staffing Document starts on page 233.

The **FY2011-12 BUDGET AMENDMENT** section includes a detail of the legal changes made to the budget during the prior fiscal year. The FY2011-12 Budget Amendment information starts on page 237.

The **GLOSSARY** and **CHART OF ACRONYMS** helps translate budget terms, jargon and acronyms into more understandable language. The Glossary starts on page 247. The Chart is on page 252.

The **APPENDIX** includes other items of interest, such as the Five Year Information Technology Plan, The Adopted Budget Ordinance, and Certified Tax Rate Chart. The Appendix starts on page 253.

For a copy of the budget document, or for any information not covered in this document, please call the Cottonwood Heights' Budget Office at (801) 944-7012 or visit the City's website <a href="https://www.ch.utah.gov">www.ch.utah.gov</a>

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COTTONWOOD HEIGHTS PROFILE

MAYOR, CITY COUNCIL, MANAGEMENT, & CONTRACTUAL SERVICES MGMT

#### **LEGISLATIVE BODY**

(MAYOR & COUNCIL)

Mayor Kelvyn H. Cullimore Jr. Elected 11/3/2009 at large Term ends 1/1/2014

Michael Shelton Michael J. Peterson Elected 11/8/2011 Appointed 10/11/11

District 1 District 3

Term ends 1/1/2016 Term ends 1/1/2014

J. Scott Bracken Tee W. Tyler Elected 11/8/2011 Elected 11/3/2009

District 2 District 4

Term ends 1/1/2016 Term ends 1/1/2014

#### **CITY MANAGEMENT**

Liane Stillman City Manager 801 944-7000

Brian Berndt Steve L. Fawcett

Planning Director Finance Director & Budget Officer

801 944-7066 801 944-7012

BBerndt@ch.utah.gov SFawcett@ch.utah.gov

Linda Dunlavy Robby Russo
Administrative Services Director & City Recorder
801 944-7021 Robby Russo
Chief of Police
801 944-7100

<u>LDunlavy@ch.utah.gov</u> <u>RRusso@ch.utah.gov</u>

Mike Allen Public Works Director 801 944-7090

MAllen@ch.utah.gov

#### **CONTRACT SERVICES MANAGEMENT**

Shane Topham Mike Watson Brad Gilson Jodi Hilton Augustus G. Chin City Attorney Assistant Fire Chief City Engineer City Building Official Judge Callister Nebeker Unified Fire Authority Gilson Engineering Sunrise Engineering Justice Court

and McCullough

#### **ABOUT COTTONWOOD HEIGHTS (The City Between The Canyons)**



Cottonwood Heights was incorporated on January 14, 2005 out of the southeastern area of unincorporated Salt Lake County. Cottonwood Heights has as of the 2010 census 33,433 residents and encompasses approximately 8.9 square miles. It is known as the *City between the Canyons* because it is located at the foot of the Wasatch Mountain Range between Big Cottonwood and Little Cottonwood Canyons. These two canyons are home to Salt Lake Valley's four major ski resorts, Alta, Brighton, Solitude and Snowbird. Each of these ski resorts has an international clientele and reputation.

The quality of life for Cottonwood Heights is very high with many cultural and recreational activities available within the city or in near proximity. Cottonwood Heights values highly its reputation as a well-maintained residential and business community. The preservation of quality of life is of utmost importance to residents and business owners. Cottonwood Heights views itself as a city where residents, businesses, and government come together to create an attractive, safe, groomed community and where people are proud to live, learn, work, recreate, and do business. The city is proud of the stunning background and residents place a high value on the natural element of the area; hillsides, streams, natural open spaces and parks. The residents occupy a variety of residential dwellings in harmony with thriving commercial areas. In 2007 Money Magazine selected Cottonwood Heights as one of the 100 best places to live in the United States.



Cottonwood Heights is home to many corporate headquarters. The city offers more Class A office space than any other city in Salt Lake County, except Salt Lake City. Office campuses include Union Park, Old Mill Corporate Center, Cottonwood Corporate Center and the Corporate Campus of Blue Cross Blue Shield. These business parks provide important centers of employment to many Cottonwood Heights residents.

As the gateway to the valley's largest ski resorts and with easy access to valley wide transportation systems, Cottonwood Heights welcomes visitors. The City strives to attract businesses that will serve the needs of the residents, promote the attractive image and appearance of the community, support and increase the general income and prosperity of the City, strengthen existing business centers and complement the City's location as the gateway to the canyons.

# COTTONWOOD HEIGHTS PROFILE PROFILE AND STATISTICS

Cottonwood Heights is a political subdivision of the State of Utah, a municipal corporation and body politic with perpetual existence unless disincorporated.

Citizens voted to operate Cottonwood Heights from its inception under the "Council – Manager" form of government. Under this form of government the citizens elect a council member from each of four geographic districts and a Mayor is elected from the entire city at large. The Mayor and Council select a City Manager who acts as the chief executive officer of the City (City Code 2.40.010 in accordance with UTAH CODE ANN. § 10-3-1223). Policy-making and legislative authority are vested in the Mayor and Council, execution and administration of policies and ordinances is the responsibility of the City Manager. The Mayor and Council serve part time. The City Manager serves full time. According to population and Utah law, Cottonwood Heights is classified as a city of the third class.

As a local general purpose government, Cottonwood Heights provides a full range of municipal services including police and fire protection, construction and maintenance of streets and other infrastructure, planning and zoning, community and economic development, recreational and cultural activities; justice court, and animal services.

In addition to services provided directly by the City including -- General Government (Legislative, City Management, Finance, Treasurer, City Recorder, Business Licensing), Public Safety (police and ordinance enforcement), Highways and Public Improvements (Public Works), Community and Economic Development (Planning and Zoning, Economic Development), the City of Cottonwood Heights also *contracts* with several other taxing entities within the Salt Lake County area to provide certain services to our residents and businesses.

- The Cottonwood Heights Parks and Recreation Service Area is a Special Improvement District created in June, 1967, and is legally separate and distinct from the City. They operate a recreation center, recreation programs, and several parks within the city, including such amenities as swimming pools, an ice skating rink, a skate park, baseball diamonds, tennis courts, soccer fields, playgrounds, trails and social gathering places.
  - The City contracts with the Service Area to provide parks and landscape maintenance and management for three city parks and sixteen other roadway islands, trails, trailheads and walkways, monument signs, planters, and other small city owned properties. We also partner with them to conduct many city events, such as the Butlerville Days summer celebration.
- The Salt Lake County Public Works Department is a department within Salt Lake County government. They provide many of the public works operations for the City, under the watchful eye of our own Public Works Director.
  - The City contracts with the Salt Lake County Public Works Department to provide, through our general services contract, general street maintenance, storm drain maintenance, snow plowing and removal, traffic analysis, roadway sign maintenance, road striping, school zone flashers, street light maintenance, traffic signal maintenance, weed control, emergency barricade placement, and other small projects as requested. They may also provide, through our pavement maintenance contract, major street crack sealing, slurry sealing, chip sealing, overlay, etc.
- The Unified Fire Authority (UFA) is a separate political subdivision of the State of Utah, directed by an eleven member board, made up of elected officials from Salt Lake County, and various cities within the Authority. They provide fire fighting and rescue services, emergency medical services as well as wildland fire fighting and prevention, hazmat, heavy rescue, bomb/arson,

# COTTONWOOD HEIGHTS PROFILE PROFILE AND STATISTICS

and Urban Search And Rescue (USAR)--Utah Task Force One services throughout Salt Lake County. These services are provided through contracts with the Authority, or as a member city of the authority.

As a member of UFA, Cottonwood Heights receives fire fighting and rescue and emergency medical services out of stations 110, located at 1790 E. Fort Union Blvd. and 116, located at 8303 S. Wasatch Blvd. They will also provide all other services they offer as the need arises.

- The Salt Lake City Public Utilities Department is a department within Salt Lake City, (located to north of Cottonwood Heights), provides water treatment and distribution services in our area. The City contracts with the Salt Lake City Public Utilities Department to provide repair and maintenance services on fire hydrants located in the city. Within Cottonwood Heights fire hydrants are owned by the city and not the Unified Fire Authority or Salt Lake City Public Utilities.
- The City of Holladay, our neighbors to the north of Cottonwood Heights, operates a Justice Court.

The City contracts with Holladay City to provide traffic and misdemeanor Justice Court services, prosecutorial services, and indigent defense services required by law, as well a small claims court. Justice Courts in Utah are not considered courts of record, so as is necessary, the State district court system will also provide services on behalf of the city. The City does contract with a separate indigent defense service to serve clients that go through the State District Court system and not the Justice Court system.

Additionally, the City of Cottonwood Heights contracts with private professional entities to provide certain services to our residents and businesses.

- The City contracts with the law firm of Callister, Nebeker, & McCullough for legal services.
  W. Shane Topham, attorney from the firm functions as the City's sworn Attorney.
- The City contracts with the engineering firm of Gilson Engineering, Inc. for engineering services in connection with building and other real property development, public works, and capital improvements.

Specifically, the scope of services includes development review, bond calculations and inspection, site inspection, geology, administrative services (correspondence and record keeping for excavating permits, bonding, bond administration, site inspection dispatch, issuance of road cut permits, and other miscellaneous city activities as assigned by the city), transportation, roadway planning and design, drainage planning and design, storm water quality management, and emergencies (cooperate with city's efforts to issue on an expedited basis emergency permits occasioned by disasters such as earthquakes and fires), barricade, material testing, surveying, addressing, reporting, advice and consultation, and public meetings.

The City contracts with the engineering firm of Sunrise Engineering, Inc. for building services in connection with building and other real property development.

Specifically, the scope of services includes plan examination, building inspection, building services coordination, issuance of compliance and stop work orders, fire, health department and local utilities coordination, resource to city and its boards and committees with respect to building services, public meetings, and miscellaneous building services as requested to review business license applications for verification that the use is appropriate to the type

# COTTONWOOD HEIGHTS PROFILE PROFILE AND STATISTICS

and construction of the building in which the business is to be located, inspection or investigate reports of unsafe structures believed to be dangerous or a nuisance, emergencies (cooperate with city's efforts to issue on an expedited basis emergency permits occasioned by disasters such as earthquakes and fires), and emergency safety inspections of key public facilities within 12 hours after any disaster or other emergency that may have compromised the structural integrity, safety or functionality of any public or other facility needed to provide public shelter, services, utilities or the like.

There are several services that are typically provided by cities that Cottonwood Heights does not provide. These services are provided directly by other taxing authorities to the citizens of Cottonwood Heights. They are:

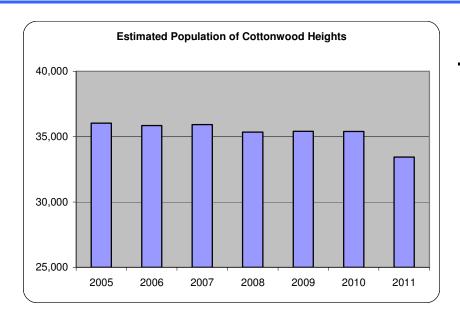
- Salt Lake City Public Utilities Department They directly provide water treatment and distribution services to most City residents and businesses of the city.
- Cottonwood Improvement District They directly provide wastewater collection services to City residents and business to most areas of the city.
- Jordan Valley Water Conservancy District They directly provide water distribution services to City residents and businesses to some areas of the city not served by the Salt Lake City Public Utilities Department.
- Salt Lake County Sanitation Department They directly provide refuse removal services to City residents to all areas of the City.

#### **STATISTICAL PROFILE**

The City of Cottonwood Heights was not incorporated as of the 2000 Census and therefore, there is limited comparative data available to provide the reader with a basis to evaluate the shift of demographics and economic change.

The 2010 Census count shows the City population at 33,433. This represents 3.25% of the population of Salt Lake County.

Other statistical information from the 2010 Census follows.



#### **Estimated Population**

(as of July 1)

2011 33,433
2010 35,407
2009 35,418
2008 35,351
2007 35,932
2006 35,853
2005 36,033

Note: 2011 from latest census. All other years from Governor's Office estimates.

# COTTONWOOD HEIGHTS TAXABLE AND FAIR MARKET VALUE OF PROPERTY

(Excluding State Centrally Assessed / Personal / Motor Vehicle)

		•	• • • • • • • • • • • • • • • • • • •	-	•	•			
							ACTUAL		
							COMBINED		
			ESTIMATED				PROPERTY		
TAX	TAXABLE	PERCENT	FAIR	PERCENT	TAX	PERCENT	TAX		
YEAR	VALUE	CHANGE	VALUE	CHANGE	RATE	CHANGE	REVENUE		
2005	2,081,869,498		3,518,359,452		0.002624				
2006	2,293,033,635	10.14%	3,660,057,425	4.03%	0.002624	0.00%	6,476,451		N/A
2007	2,778,886,533	21.19%	4,681,399,965	27.91%	0.002220	-15.40%	6,408,762		-1.05%
2008	2,975,823,776	7.09%	5,044,615,267	7.76%	0.002098	-5.50%	6,397,453		-0.18%
2009	2,588,651,543	-13.01%	4,315,668,361	-14.45%	0.002399	14.35%	6,344,286		-0.83%
2010	2,504,500,541	-3.25%	4,159,209,300	-3.63%	0.002517	4.92%	6,499,957		2.45%
2011	2,449,196,532	-2.21%	4,064,468,170	-2.28%	0.002586	2.74%	6,567,464		1.04%
2012	2,405,264,373	-1.79%	3,991,562,204	-1.79%	0.002654	2.63%	6,581,714	est.	0.22%

# COTTONWOOD HEIGHTS TEN LARGEST PROPERTY TAXPAYERS (REAL AND PERSONAL PROPERTY)

		2011		
		TAXABLE	% OF	
TAXPAYER	RANK	VALUE	TV	TYPE OF BUSINESS
NOP Cottonwood (Cottonwood Corporate Center)	1	\$77,813,700	3.16%	Non residential property managers
Old Mill Corporate Center	2	\$59,920,300	2.43%	Non residential property managers
RBCSU Realty, Inc. / Regence BlueCross/BlueShield	3	\$48,018,161	1.95%	Real estate / Insurance
Fourels Investment Co. (Shopping Area)	4	\$38,155,300	1.55%	Real estate investment
Pinnacle Highland Apartments	5	\$29,612,715	1.20%	Apartment Rentals
Santa Fe Apartments, LLC.	6	\$20,221,630	0.82%	Apartment Rentals
James Campbell Company, LLC.	7	\$19,922,510	0.81%	Real estate
Reef Union Park	8	\$18,691,300	0.76%	Non residential property managers
Cottonwood Estates Development	9	\$18,475,067	0.75%	Real estate
Overstock.Com	10	\$15,943,667	0.65%	Internet retailer

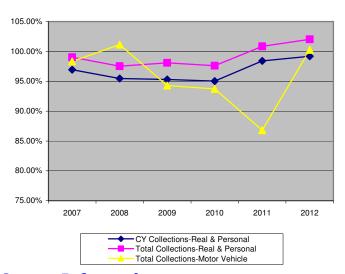
COTTONWOOD HEIGHTS REAL AND PERSONAL PROPERTY TAX COLLECTION RECORD									
FISCAL	(a) <b>NET TAXES</b>	(b)	(c) DELINQUENT & OTHER	(b÷a) CURRENT COLLECTIONS		TOTAL DELINQUENCIES OUTSTANDING			
<b>YEAR</b> 2007	<b>LEVIED</b>		COLLECTIONS	PERCENT	<b>PERCENT</b> 99.03%	ON DEC 31			
2008	\$6,540,140 \$6,570,859	\$6,272,729	\$137,384 \$136,033	95.46%	97.53%	\$13,124			
2009 2010	\$6,522,478 \$6,500,000	\$6,177,283	\$181,313 \$167,003	95.04%	98.08% 97.60%	\$75,760 \$132,885			
2011 2012	\$6,445,912 \$6,437,173		\$156,026 \$182,083	98.42% 99.20%	100.84% 102.02%	\$113,329 \$220,769			

#### **COTTONWOOD HEIGHTS**

#### **MOTOR VEHICLE FEE IN LIEU OF TAX COLLECTIONS**

Tax Collection Rates Fiscal Years 2007-2012

			TOTAL
<b>FISCAL</b>	MVF	CURRENT	COLLECTIONS
YEAR	BUDGETED	COLLECTED	PERCENT
2007	\$514,000	\$505,430	98.33%
2008	\$500,000	\$505,711	101.14%
2009	\$500,000	\$471,390	94.28%
2010	\$500,000	\$468,657	93.73%
2011	\$490,951	\$426,149	86.80%
2012	\$399,000	\$400,016	100.25%



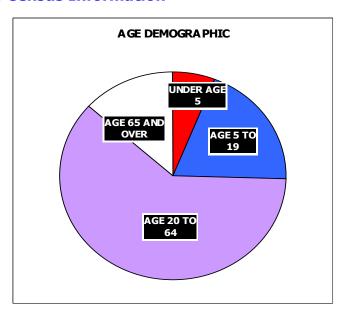
#### **2010 United States Census Information**

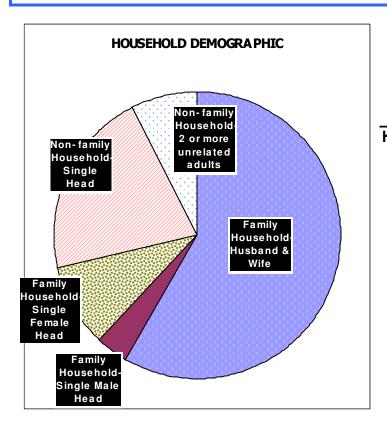
#### **AGE DEMOGRAPHIC (Years)**

< 5	2,053	6.14%
5 to 19	6,473	19.36%
20 to 64	20,442	61.14%
65 >	4,465	13.36%

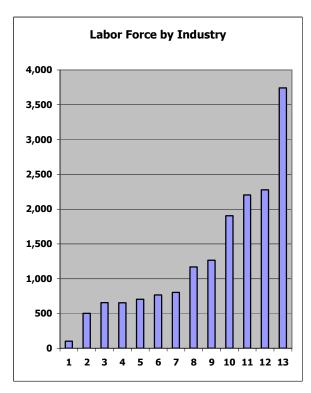
Median Age = 36.9

Median Age (Female) = 35.9 Median Age (Male) = 38.1





	2010 <u>TOTAL</u>	
HOUSEHOLD DEMOGRAPHIC	_ 12,459	
Family Households	8,902	
Both Husband & Wife in Family		7,258
Single Male Family		475
Single Female Family		1,169
Non-family Households	3,557	
Householder living alone		2,637
2 or more unrelated adults		920
Average Household Size	2.68	
Average Family Size	3.13	



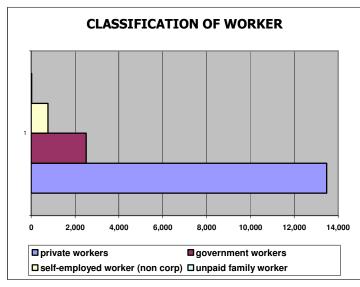
#### **ECONOMIC DEMOGRAPHIC Employed Civilian Labor Force** 16,766 (16 years and older) **INDUSTRY** Agriculture, forestry, fishing / hunting, & mining 104 Other Services, except Public Administration 502 3 Information 658 Wholesale trade 655 5 Transportation, Warehousing, and Utilities 706 6 Construction 768 7 **Public Administration** 805 8 Manufacturing 1,169 9 Arts, Entertainment, Recreation, Accomodation, Food Serv. 1,268 10 Finance, Insurance, Real Estate, and Rental/Leasing 1,905 11 Retail trade 2,204 12 Professional, Scientific, Management, Administrative 2,278 13 Educational, Health Care, and Social Assistance 3,744

# CLASSIFICATION OF WORKER Total Workers

Private wage and salary workers
Government workers
Self-employed, in owned but
not an incorporated business
workers
Unpaid family workers

**16,766** 13,473 2,511 761

21



#### **INCOME AND BENEFITS** \$200K and above 1,083 Household Category \$ 100K - \$ 199K 2,746 \$10K - \$99K 7,867 less than \$ 10K 362 2,000 4,000 6,000 8,000 10,000 Household Income

# INCOME AND BENEFITS (in 2010 inflation adjusted dollars) Households with income 12,058 Households less than \$10,000 362 Households \$10,000 to \$99,000 7,867 Households \$100,000 to \$199,000 2,746 Households \$200,000 and above 1,083 Median household income \$71,667

#### RACE, and HISPANIC OR LATINO (%)

One Race	97.50
White	91.30
Black or African American	0.9
American Indian and Alaskan Native	0.4
Asian	3.2
Native Hawaiian and Other Pacific Islander	0.3
Some Other Race	1.4
Two or More Races	2.5
Hispanic or Latino (May be Any Race)	5.1

#### **SELECTED ECONOMIC INDICATORS FOR SALT LAKE COUNTY**

(Source: Utah Department of Workforce Services: Updated November 2011)

	YEAR					
	2011	2010	2009	2008	2007	
Population	N/A	1,033,910	1,016,795	9,995,536	983,719	
Labor Force: Annual Averages (Dec)						
Employed	510,310	511,799	522,422	536,731	533,530	
Unemployed	35,745	43,272	38,356	16,690	14,717	
Unemployment Rate	6.5%	7.8%	6.8%	3.5%	2.7%	
Total Personal Income (Millions)	N/A	N/A	\$38,581	\$39,013	\$37,818	
Per Capita Income	N/A	N/A	\$37,276	\$38,304	\$37,726	
Average Family Income (IRS)	N/A	\$56,664	\$56,954	\$59,168	\$56,378	
Average Monthly Non-farm Wage	N/A	\$3,623	\$3,470	\$3,470	\$3,406	
Gross Taxable Sales	N/A	\$18,688,337	\$19,417,268	\$20,457,525	\$21,634,262	
Permit Authorized Construction (\$000)	N/A	\$1,070,588	\$1,545,119	\$1,656,131	\$2,153,638	
New Residential Building Permits	N/A	2,471	4,586	3,555	4,512	
Residential Permits Value (\$000)	N/A	\$424,610	\$649,517	\$588,478	\$820,049	

TEN LARGEST EMPLOYERS w/in SALT LAKE COUNTY (Nov 2011)	AMERICAN COMMUNITY SUI 2009	RVEY				
(Source: Utah Department of Workforce Services: Updated November 2011)						
University of Utah	Median Age	30.9				
Intermountain Health Care	Persons per Household	3.04				
State of Utah	Female Participation % of Labor Force	64.90%				
Granite School District	Male Participation % of Labor Force	79.2				
Salt Lake County	Self-Employed	4.90%				
Jordan School District	Commute Time (minutes)	21.6				
Federal Government	Median Family Income	\$66,166				
Wal-Mart	Median Earnings:					
The Canyons School District	Male Full-time	\$42,662				
Salt Lake City School District	Female Full-time	\$32,263				
	Persons Below Poverty	10.30%				

#### **DEPARTMENTS AND OTHER ORGANIZATIONAL UNITS**

The City is organized by departments. They are General Government, Public Safety, Highways and Public Improvements, and Community and Economic Development.

Some departments are further divided into other organizational units and the activity of all units is financed by the general fund. The following is a brief description of the city's departments and other organizational units, and the services provided by each unit.

#### **General Fund**

#### **General Government Department**

General Government is one of four super departments in Cottonwood Heights. It provides administrative services for the entity and includes the mayor, city council, and other committees, commissions and special bodies appointed by the mayor, city manager and city council. It also includes judicial services, the city manager and all administrative officers of the city.

#### • Legislative Division

The Legislative Division is one of four divisions of the General Government Department. It is designed to capture the functions overseen by the Mayor and City Council.

#### Mayor and City Council

Mayor and City Council organization consists of the Mayor, who is elected at-large and four City Council members, who are elected from their respective Council District within the City. They are the legislative body of the City that pass laws and regulations and determine overall policy direction on behalf of the City. Please see the Mayor and City Council on page 79.

#### Legislative Committees and Special Bodies

Legislative Committees and Special Bodies program is designed to capture the expenses of the city for events, both sponsored and hosted, and for special committees and bodies, such as the Arts Council and Historic Committee. Please see list of activities on page 93.

#### Planning and Zoning Commission

Planning and Zoning Commission program is designed to capture the Planning Commission expenses. There are seven planning commissioners and two alternates and they meet on the first Wednesday of the month and more often if necessary. Please see the Planning and Zoning Commission on page 99.

#### • Judicial Division

The Judicial Division is one of four divisions of the General Government Department. It is designed to capture revenue and expenses associated with the Cottonwood Heights City Court contract.

#### City Court

Justice court service is provided to residents of the city and others who are cited or arrested in the city for traffic and adult misdemeanor criminal charges. This service is provided through an agreement with Holladay City and there are no Cottonwood Heights employees involved in this service. The court also has concurrent jurisdiction in the city with the State Juvenile Court over some traffic misdemeanors and infractions committed by 16 and 17 year olds and concurrent jurisdiction with the Third District Court over small claims matters. The service provided includes prosecution of offenders and indigent defense. Please see City Court on page 103.

#### • Executive and Central Staff Division

The Executive and Central Staff Division is one of four divisions of the General Government Department. It is designed to capture the City Manager operations along with several processes managed on a citywide basis.

#### City Manager

The City Manager is appointed by the Mayor and City Council and is responsible to carryout the policies of the City Council within the adopted budget. The City Manager manages the day-to-day operations of the City. The City Manager also directly supervises City Emergency Management, Public Relations and Information Technology. Please see City Manager on page 107.

#### • Emergency Management

The city uses this account to manage and organize its emergency management planning and account for related grants received. Staffing expenses are in the City Manager's budget. Please see Emergency Management on page 115.

#### Information Technology (IT) / Data Processing

The city uses this account to manage the purchase of hardware and software needs and IT related maintenance contracts. Staffing expenses are in the City Manager's budget. Please see IT on page 121.

#### Administrative Agencies Division

Administrative Agencies Division is one of four divisions of the General Government Department. It is designed to capture the internal operational support functions of the City.

#### Finance Department

Finance functions to safeguard the assets of the City. Department personnel provide the accounts payable, accounts receivable, payroll, and general accounting services. They also are responsible for the City Budget, Interim and Annual Financial reports, City purchasing, Treasury, cash management and risk management premium and claims processing. Please see Finance on page 125.

#### Debt Service / Lease Expense

The City has no long term bonded debt. This area captures the processing of a capital lease for Police vehicles. Please see Debt Service / Lease Expense on page 220.

#### • Transfers to Other Funds

The city uses this account to manage the transfer of general fund monies to other funds, primarily the Capital Improvement Projects Fund. Please see Transfers to Other Funds on page 220.

#### • City Attorney

The City contracts with a private law firm to provide all law related services to the City. This function is part of the Administrative Agencies Division. Please see City Attorney on page 135.

#### • Administrative Services Department

Administrative Services personnel provide the duties of the City Recorder, Human Resources, Business Licensing, reception, and cash receipt processing. Please see Administrative Services on page 139.

#### Elections

The City holds general municipal elections during November of odd numbered years. Please see Elections on page 151.

#### **Public Safety Department**

Public Safety is one of four super departments in Cottonwood Heights. It provides police, fire, animal control and ordinance enforcement services. In prior years the city has contracted with the Salt Lake County Sheriff for police services. Beginning September 1, 2008 the city established its own police department. The city is a member of the Unified Fire Authority (UFA) which provides fire protection and emergency paramedical services. Cottonwood Heights' mayor serves on the UFA board and presently serves as chair of the UFA Finance Committee. On January 1, 2008 the city began to provide animal control services with its own employees as a part of the Ordinance Enforcement organizational unit. In addition to providing animal control services this staff works with citizens to obtain compliance with various city ordinances. Prior to January 1, 2008 the city contracted with Salt Lake County for animal control services.

#### Police Department

The Police Department provides investigative, patrol, evidence processing, SWAT, citizen neighborhood patrol, school resource officers, crime victim support, and K-9 services. Please see Police on page 157.

#### Ordinance Enforcement

The Ordinance Enforcement program provides animal control and care services, and code compliance enforcement. This program falls under the Police Department. Please see Ordinance Enforcement on page 165.

#### Fire

The city contracts with the Unified Fire Authority in Salt Lake County for fire suppression and medical services. Please see Fire on page 171.

#### **Highways and Public Improvements Department**

Highways and Public Improvements is one of four super departments in Cottonwood Heights. It is designed to capture the functions of Public Works, Road and Street projects funded by the State "Class C" program, and Impact fees funded projects.

#### • Public Works Department

The Public Works Department provides maintenance of City roadways, sidewalks and Parks. Department personnel provide inspection, project management and contract management responsibilities. Please see Public Works on page 183.

#### • Class C Roads

The city receives funds from the State from taxes collected on gasoline sales. These funds are distributed to cities and towns based on a formula of various road lane miles within the jurisdiction. Please see Class C Roads on page 193.

#### Impact Fees

The city receives funds from charging impact fees which are used for storm water improvement and transportation improvement projects. Please see Impact Fees on page 197.

#### **Community and Economic Development Department**

Community and Economic Development is one of four super departments in Cottonwood Heights. It is designed to capture the functions of Planning and Zoning, Economic Development, Engineering, and GIS program development.

#### Planning and Zoning

The Planning and Zoning Division provides oversight to all development within the City, manages the economic development efforts of the City, oversight of the engineering, permitting, and GIS information. Please see Planning and Zoning on page 203.

#### Economic Development

The Economic Development function provides for the contractual agreement with the Economic Development Corporation of Utah (EDCU). Please see Economic Development on page 213.

#### **ACCOMPLISHMENTS**

The major budget and recognition related accomplishments by Cottonwood Heights for seven and one-half years since incorporation are as follows:

#### **FY05 Accomplishments**

- City of Cottonwood Heights incorporated January 14,2005
- Held the city's first municipal election. This election, resulted in the election of Mayor Kelvyn H.
  Cullimore, Jr. and Council Members Gordon M. Thomas, J. Scott Bracken, Don J. Antczak, and
  Bruce T. Jones
- Exited the Salt Lake Valley Fire Service Area and joined the Unified Fire Authority as a member city saving approximately \$1,000,000 annually in tax dollar expenditures

#### **FY06 Accomplishments**

- Developed and adopted a plan for construction and maintenance of transportation capital facilities
- Developed and adopted a plan for construction and maintenance of storm water capital facilities
- Developed a Cottonwood Heights General Plan and amended Zoning Ordinances to facilitate that plan
- Led and coordinated the effort to raise from private sources and distribute over \$1.2 million in cash, mortgage relief, and other humanitarian services in helping relocate the residents of the closed Meadows Mobile Home Park
- Acquired part of the property needed for a city center and began developing the city center plan
- Revitalized many street and monument landscape areas throughout the city.
- Studied and revised business license fees
- Appointed an Architecture Review Commission
- Established a Youth City Council
- Addressed traffic safety issues in the City through implementing traffic calming initiatives including:

Brighton Bump mitigation on Oak Creek Drive

#### **FY07 Accomplishments**

- Implementation of a new Ordinance Enforcement Department which includes animal control
- Implementation of a new Geographic Information System (GIS) Service
- Participated with other cities on the east side of the Jordan School District in the creation of the new Canyons School District
- Instrumental in securing almost \$4,000,000 in funding from Salt Lake County Zoo, Arts, and Parks (ZAP) tax to reconstruct the Cottonwood Heights Recreation Center ice skating facilities.
- Established a Historical Committee

#### FY08 Accomplishments

• Implemented a joint venture with Holladay city to provide justice court services for Cottonwood Heights citizens

- Cottonwood Heights and Salt Lake County jointly worked to acquire 5.67 acres of property which
  has been developed by the City into the Prospector Ridge/Timberline Trailhead. The County
  Contributed \$3.4 Million to the purchase of the land
- Entered into cost saving partnership with the cities of Holladay and Taylorsville to provide street sweeping
- Enhanced City Emergency Planning by: Buying and equipping a CERT trailer
- Hosted first city sponsored emergency preparedness fair in the community
- Planned the Big Cottonwood Trail and Old Mill Pond urban fishery and obtained \$750 K grant to pay for phase I of the construction

#### **FY09 Accomplishments**

- Implemented a new Cottonwood Heights Police Department effective September 1, 2008 staffed with 34 officers and 5 civilians initially
- Opened Timberline Trailhead first phase of joint project with Salt Lake County Open Space and Parks fund
- Established an Arts Council
- Completed bridge rehabilitation on Creek Road at 2700 east improving bridge stability and extending useful life of structure
- Made significant improvements to information system infrastructure
- Enhanced City Emergency Planning by:

Buying 2 air wave frequencies

Buying 70 radios

Installed and tested an EOC radio in the City Offices and one off site

Qualified for and received a federal NET guard grant

Purchased and deployed new traffic control trailer increasing City's ability to respond to emergencies and provide traffic control

Funded completion of Golden Hills Park

#### **FY10 Accomplishments**

- Implemented new generation integrated financial management system
- Collaborated with Canyon's School District and Cottonwood Heights Parks and Recreation Service District on rebuilding of Butler Middle School
- Held the city's second municipal election since incorporation. This election, resulted in the reelection of Mayor Kelvyn Cullimore, Jr. and the election of two new council members, Nicole Omer, and Tee Tyler. Inaugural Council Members Don Antczak and Bruce Jones were replaced.
- Improved communication with citizens by improving the web page, expanding the Cottonwood
  Heights insert in the Cottonwood/Holladay Journal, use of communication poles and banners,
  Facebook, and twitter
- Addressed traffic safety issues in the City through implementing traffic calming initiatives including:

Refuge island on Bengal Blvd. by the Skate Park

- Made significant upgrades and improvements to information system infrastructure
- Hosted second city sponsored emergency preparedness fair in the community
- Planned the Big Cottonwood Trail and obtained \$534,000 Zoo, Arts and Parks (ZAP) grant to, along with city funding, complete phase II of the construction

#### **FY2010-11 Accomplishments**

 Held the first community play when the community performed "Joseph and Amazing Technicolor Dreamcoat"

- Created a new and improved website
- Uploaded first compliant financial information to State transparency website
- Took ownership of Golden Hills Park

#### FY2011-12 Accomplishments

- Held the second consecutive community play when the community performed "The Wizard of Oz"
- Opened Mountview Park in May 2012
- Settled lawsuit with Cottonwood Estates by consenting to their disconnection of the Tavaci project from the City – 46 acres at the mouth of Big Cottonwood Canyon
- Formalized the first Community Development Agency (CDA) for the Canyon's Centre Resort development at the mouth of Big Cottonwood Canyon
- Negotiated with the Utah Department of Transportation to complete phase III of the Big Cottonwood Trail system
- Council Member Nicole Omer resigned to relocate out of State. Mike Peterson was selected by the remaining Council Members to complete her term of office
- Held the city's third municipal election since incorporation. This election, resulted in one new council member. Council Member Gordon Thomas, and inaugural member of the Council was replaced with new Council Member Mike Shelton
- Conducted study of business license fees
- Hosted third city sponsored emergency preparedness fair in the community
- Planned the Big Cottonwood Trail and worked with the Utah Department of Transportation and secured funding, along with city funding, to complete phase III, the final phase, of the construction

#### **Awards and Special Recognition**

- Selected in 2007 by Money Magazine as a top 100 City in America for cities with population less than 75,000
- 2009 recipient of the Federal Emergency Management Agency (FEMA) national award for Collaborative Preparedness Planning
- Member of the Year recognition from the Utah Housing Authority for our work on the Meadows Mobile Home Park.
- Utah Recreation Association Best Event Award for Bark in the Park
- All American Cities finalist in 2011
- Best of State Awards presented to:

Gary Harmer - Best Public Sector Appointed Official - 2007

Mayor Cullimore – Best Elected State Official - 2008

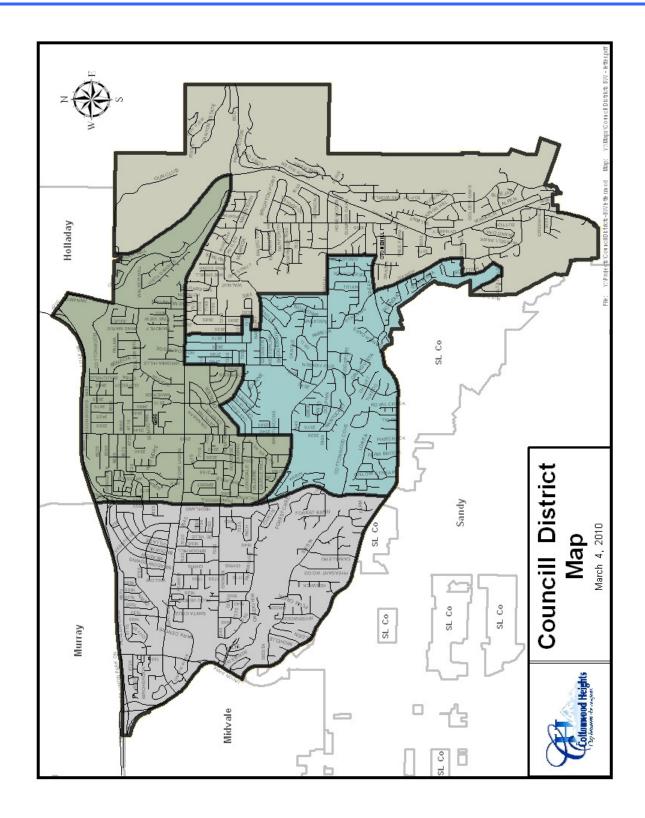
Kevin Smith – Best Community Development Department - 2009

Chief Robby Russo – Best Public Safety Official - 2010

Liane Stillman – Best Public Sector Appointed Official – 2011

Linda Dunlavy – Best Public Sector Appointed Official – 2012

- Linda Dunlavy, Director of Administrative Services was recognized by the Utah Municipal Clerks Association as the 2012 Recorder of the Year for the State of Utah
- International Footprinter Association recognized City Police Department officers Corbett Ford and Dan Bartlett as National Officers of the Year for their work on the Dr. Stack case.
- Recipient for six consecutive years of the Distinguished Budget Presentation Award from the Government Finance Officers Association for excellence in budgeting.



**Legend**: Gray: District One Blue: District Two

Dark Green: District Three Light Gray-Green-District Four



2012-13 EXECUTIVE SUMMARY EXECUTIVE SUMMARY (BUDGET OFFICER'S MESSAGE)

#### **BUDGET EXECUTIVE SUMMARY**

(Budget Officer's Message) 2012-2013

To The Honorable Mayor, City Council and Citizens of Cottonwood Heights

I present to you the Annual Operating and Capital Budget for the fiscal year beginning July 1, 2012 and ending June 30, 2013. (FY2013)

This year's budget process began when we held the January 28<sup>th</sup> retreat where goals and general budget development guidelines were discussed. Those goals and expectations were provided to the Administration to use as we prepared the budget and made ready this presentation.

This budget represents the appropriation of funds for FY2013. It also represents the revised budget for FY2012. The property tax rate for the calendar year 2012 (CY2012) which provides the property tax revenue to support the FY2013 budget will become available in early June. This proposed budget assumes the same revenue and rate.

The Governmental Funds (General Fund & Capital Projects Fund) budgets are balanced as required by Utah Code Section 10-6-117. Appropriations in each fund do not exceed estimated expendable revenue and other sources. The Employee Benefits Fund (An Internal Service Fund) is included in this document however the budget for this fund is not legally required by Utah Law to be adopted and is included here for information only.

#### **CITY ISSUES AND GOALS**

The City Council goals set the priorities that guide the allocations of resources in this budget and all of the goals that are to be accomplished in FY2013 are facilitated by this budget. The discussion under the heading "Cottonwood Heights City Goals" (page 69) summarizes the methods used by the council to identify major issues and the goals or priorities of the council and citizens for this new budget year. The outcomes of those discussions lead to many of the decisions and the prioritization of appropriations in the budget.

The major issue in balancing the budget continues to be the level of revenue caused by a continuance in the roller coaster rebounding economy. The economic outlook is up and looking positive one month and down and looking negative the next month. This budget has been prepared with those factors in mind.

The major areas of focus for the City Council continue to be public safety, customer service, communications, and emergency preparedness. A continuing theme carried throughout the council goals and objectives is to enhance communication and public involvement as well as all city services without increasing current taxes.

The action plan to address these issues, areas of focus, and goals is to maintain services in ways that do not use more money than is absolutely necessary and with an expected positive result. There is an emphasis on improving both internal and external services by examining the way the City provides those services, and to make appropriate changes in methodology.

#### 2012-13 Expectations

- Balance the budget with no new tax or revenue sources
- Balance the budget with no increases in existing taxes

2012-13 EXECUTIVE SUMMARY EXECUTIVE SUMMARY (BUDGET OFFICER'S MESSAGE)

- Balance the budget and bridge the gap with reliance on fund balance only for one time purchases and when necessary to meet the highest expectations for capital improvement projects completed
- Balance the budget and maintain the policy level in the committed fund balance of 6% (reserves)
- Balance the budget while maintaining the high level of service our citizens and businesses expect and enjoy
- Balance the budget while enhancing the transparency of government that exists in Cottonwood Heights through public notifications and sharing of information through special notices, articles in the *Cottonwood/Holladay Journal*, and a modified more robust City Web site found at: www.cottonwoodheights.utah.gov

#### 2012-13 Key Budget Decisions and Processes

By marrying the Council's expectations with a continuing no growth period of revenue, the Administration developed this budget with the following criteria in mind:

- All employees receive a 1.0% across the board cost of living adjustment (COLA)
- Implement pay study results by moving all employees within identified pay ranges
- 2% funds allocated to apply performance based adjustments or one time bonus
- Health insurance rates negotiated professionally to receive best rate possible, even in adverse conditions
- Employer percentage of participation in health care premiums will remain at 90%
- All contracts for services reviewed for maximum efficiency
- All program expenditures reviewed for relevance, efficiency and effectiveness
- Revenue projections conservatively yet realistically estimated
- Changes in personnel FTE counts will only be made to meet increased service demands and to improve the timeliness of service delivery

#### **BUDGET ASSUMPTIONS**

#### **REVENUE OVERVIEW**

Revenue estimates are based upon current economic conditions as well as historical trends, where appropriate.

Key recurring general fund revenues have not increased at the level Cottonwood Heights experienced early in its history. In fact, some revenues have once again decreased from the FY2012 revised levels.

It is anticipated that actual sales tax revenues will grow slightly and therefore, a small increase in the sales tax budget reflects this assumption.

It is anticipated that the actual prior year or delinquent property tax collections will increase slightly, and a small increase in the total property tax budget reflects this assumption.

Current year property tax assumptions remain at the current budget level. This budget reflects the assumption that the Certified Tax Rate (the rate that will generate the same revenue budget as the previous year) will be adopted.

The chart below tracks changes for the selected sources of revenue from FY2011 actual revenue to FY2012 Amended Budget to FY2012 Estimated and then to the FY2013 Budget.

				Diff	2012		Diff	2013
Source of Revenue	FY 2011	FY 2012	FY 2012	Est vs Act	%	FY 2013	<b>Bud vs Est</b>	%
	Actual	<b>Amended</b>	<b>Estimate</b>	\$	Change	Budget	\$	Change
Property Taxes	6,499,957	6,537,173	6,587,556	87,599	1.35%	6,581,714	-5,842	-0.09%
Motor Vehicle Fees	426,149	399,000	400,016	-26,133	-6.13%	400,000	-16	0.00%
Sales Taxes	4,531,512	4,300,000	4,662,585	131,073	2.89%	4,450,000	-212,585	-4.56%
Other Taxes	589,232	594,000	610,272	21,040	3.57%	584,000	-26,272	-4.30%
Licenses / Permits	555,469	509,000	446,576	-108,893	-19.60%	509,000	62,424	13.98%
Class C Roads	1,099,462	1,113,500	1,067,518	-31,944	-2.91%	1,113,500	45,982	4.31%
Zoning / Subdivision Fees	203,093	100,500	182,040	-21,053	-10.37%	100,500	-81,540	-44.79%
Court Fines & Forfeitures	546,834	530,000	552,220	5,386	0.98%	477,397	-74,823	-13.55%

To fully understand the changes and why they are significant to this budget, please note that the differences between FY2011 actual and FY2012 estimate reflects very conservative budgeting of revenue. Actual final revenue for FY2012 may differ from the estimate. FY2012 actual trends also helped inform the FY2013 budget forecasts.

- Property taxes by law are kept at the same revenue generating level unless new growth has occurred. There was no new growth in FY2012. Actual collection of current revenue is down slightly. However, the collection of delinquent or prior year revenues is double the projection. The certified rates adjust in FY2013 to mathematically generate enough revenue to adjust for any loss and maintain the base revenue. The City received \$3,090,639 of certified tax rate new growth value, which equates to \$8,202 of new revenue. The overall FY2013 certified tax revenue is less than FY2012 because an adjustment is made to account for the average of total delinquent taxes collected year over year.
- Motor Vehicle fees appear to be leveling off at the estimated current year levels. It is predicted that this area will continue to be flat through FY2013.
- Actual sales tax revenue in FY2011 far exceeded the budget and the budget of FY2012. The
  FY2013 budgeted level is predicted with a 1.8% reduction of FY2011 actual level because of two
  factors, 1) a very conservative assumption that current spending trends will continue or increase
  slightly and generate some, but not a significantly high increase, and 2) as a hedge against a
  possible decline in the budgeted level of other sources of revenue.
- Other sources of revenue and any predicted changes reflect actual patterns that seem to be developing, some indicative of building activity improving but not significantly and a leveling off of adjudication rates of justice court cases.

#### **EXPENDITURE OVERVIEW**

Expenditures by department were developed at levels necessary to meet the City Council expectations based on the goals and objectives established for FY2013.

#### **Salaries and Benefits**

Personal Services is the largest single component of the department budgets and have to be examined when budget decisions are made. Departments were charged with the responsibility to look at each program and make any changes necessary to combine effort or to eliminate work that no longer

2012-13 EXECUTIVE SUMMARY EXECUTIVE SUMMARY (BUDGET OFFICER'S MESSAGE)

needed to be performed, to make additions needed to increase service levels to citizens, and to examine the cost of services delivered in the City through contracted services.

The City does not use a formal merit based salary system. A survey of comparisons to selected local jurisdictions from within Utah was conducted and the results indicate that Cottonwood Heights is competitive with those entities as a whole, as our salaries and wages range from entry level to midpoint to maximum levels.

Cost of living increases, based on the December 2011 over December 2010 CPI index, all goods and services, unadjusted, (3.0%) will be applied July 1, 2012 to all employees, but not as across the board increases.

- As a cost of living adjustment 1% will be applied to all employees across the board.
- As a performance based adjustment 2% will be available for Department Directors to apply.
- None of the performance based adjustment is to be granted as an increase to base salary if the
  employee is above the identified mid point of their job range. Those increases should be one time
  payments.

In FY2012 the City began the year with a 60.9% increase in health insurance premiums. This experience based adjustment was eventually reduced to 22.3% increase. Dental rates also increased 8%. The City Council in FY2010 decided to change the allocation of premiums from 90% city pays / 10% employee pays to 80% City pays / 20% employee pays beginning in FY2012. This decision was rescinded in FY2012 because of the significant rate increases. The city currently contributes 90%.

In FY2013 the City agreed to offer for the first time two options for health care insurance. The first is a "traditional" plan. After implementing some cost savings changes to the plan, the plan will result in a .69% increase in the health insurance premium contribution over adjusted FY2012 levels. The second is a Qualified High Deductible Health Plan along with a Health Savings Account (HSA). This plan will result in a 7.77% decrease in the combined health insurance premiums/HSA contribution over the adjusted FY2012 levels. The City will participate in funding an employee HSA account. Overall, it is estimated that the annual health plans premium costs to the city will decrease 3.3%.

The dental plan provider will change and this change results in a 27.39% decrease in dental premiums over the FY2012 levels.

No additional major benefit costs are scheduled to change significantly except for retirement rates as described next.

As mandated by the Utah State Legislature, through passage of the 2012-13 Utah State Retirement System (URS) rate schedule, the City will increase the percentage of (URS) contributions from 13.77% to 16.04% for the Tier 1 DB System noncontributory retirement system: Local Government Public Employees, and the from 28.64% to 32.20% for the Tier 1 DB System noncontributory retirement system: Other Division B with 2.5% COLA Public Safety Employees. These changes represent a 2.27 and 3.56 percentage point increase; which result in a 16.49% and 12.43% increase in the budgeted cost of Tier I URS contributions. The City does contribute through the URS on behalf of employees who had previously retired from a government position prior to employment with Cottonwood Heights (so called post-retired employees) prior to July 1, 2010. The City will continue to provide through a 401-K the same percentage contributions for those City employees as defined by their individual contracts: 11.62% for post retired from the public employees system and 25.49% for post retired from the public safety employees system.

2012-13 EXECUTIVE SUMMARY EXECUTIVE SUMMARY (BUDGET OFFICER'S MESSAGE)

The <u>Tier 2 Hybrid retirement system</u>: Local Government Public Employees or the <u>Tier 2 Defined Contribution system</u>: Local Government Public Employees will see rates change from 12.74% to 14.33% and the rates change from 19.27% to 21.80% for the <u>Tier 2 Hybrid retirement system</u>: Other Division B with 2.5% COLA Public Safety Employees or the <u>Tier 2 Defined Contribution system</u>: Other Division B with 2.5% COLA Public Safety Employees. These changes represent a 1.59% and 2.53% percentage point increase, which results in a 12.48% and 13.13% increase in the budgeted costs of the Tier 2 URS contributions.

All new hires, after July 1, 2011 who were not previously employed with a participating employer and therefore a participant in the Tier 1 system will be enrolled in the Tier 2 retirement system.

The following charts show the comparisons between the FY2011-12 and the FY2012-13 rates for retirement systems that currently impact Cottonwood Heights' employees.

Tier 1 Retirement Contribution Rates as a Percentage of Salary and Wages

**Public Employees NonContributory System** 

		Tier 1	
	S	.1-12 RATE	201
	Total	Employer	Employee
rate change	13.77	13.77	-
2.27	S	.2-13 RATE	201
% Change	Total	Employer	Employee
16.49	16.04	16.04	-

Public Sarety NonContributor					
	Tier 1				
2011-12 RATES (%)					
Employee	Employer	Total			
-	28.64	28.64			
2012-	<b>2012-13 RATES (%)</b>				
Employee	Employer	Total			
-	32.20	32.20			

rate change 3.56 % Change 12.43

Tier 2 Retirement Contribution Rates as a Percentage of Salary and Wages

**Public Employees NonContributory System** 

	Tier 2 Hybrid Retirement System							
	2011-12 RATES (%)							
(1)	(2)	(3)	(4)	(5)	(6)			
Hybrid Plan								
Employer Hybrid Plan DC Plan								
Tier 2	Total							
Rate	Rate	(1)-(2)	Benefit*	Amortization %	(1)+(4)+(5)			
10.00	7.59	2.41	0.15	2.59	12.74			
	2012-13 RATES (%)							
10.00	8.41	1.59	0.15	4.18	14.33			
				rate change	1.59			

Tier 2 Defined Contribution Plan					
	2011-	12 RATES (%	o)		
(1)	(2)	(3)	(4)		
Employer					
Tier 2	Death	Tier 1	Total		
Rate	Benefit*	Amortization %	(1)+(2)+(3)		
10.00	0.15	2.59	12.74		
2012-13 RATES (%)					
10.00	0.15	4.18	14.33		
		rate change	1.59		

**Public Safety NonContributory System** 

	Tier 2 Hybrid Retirement System						
		2011-12	RATES	(%)			
(1)	(2)	(3)	(4)	(5)	(6)		
Hybrid Plan							
Employer	Hybrid Plan	DC Plan					
Tier 2	BD Plan	Rate	Death	Tier 1	Total		
Rate	Rate	(1)-(2)	Benefit*	Amortization %	(1)+(4)+(5)		
12.00	10.45	1.55	0.19	7.08	19.27		
		2012-13	RATES	(%)			
12.00	10.91	1.09	0.19	9.61	21.80		
				rate change	2.53		

<b>Tier 2 Defined Contribution Plan</b>					
	2011-	12 RATES (%	o)		
(1)	(2)	(3)	(4)		
Employer					
Tier 2	Death	Tier 1	Total		
Rate	Benefit*	Amortization %	(1)+(2)+(3)		
12.00	0.19	7.08	19.27		
2012-13 RATES (%)					
12.00	0.19	9.61	21.80		

rate change

2.53

# CITY OF COTTONWOOD HEIGHTS FY2012-13 ANNUAL OPERATING AND CAPITAL BUDGET

2012-13 EXECUTIVE SUMMARY EXECUTIVE SUMMARY (BUDGET OFFICER'S MESSAGE)

# **Staffing**

There are minor changes in the overall staffing: Adding a .25 Police Officer, moving the Information Systems Technician II to full-time from three-quarter time (change actually occurred in September, 2011), increasing the hours of the Human Resources Specialist-Benefits by .13, the Office Assistant II by .13, and the Events Coordinator by .02, and adding a small seasonal public works crew; .65 FTE. Additionally, during FY2012 the Corporal position was moved to Sergeant.

#### **Contracts for Service**

The contract with the United Fire Authority will go up for the first time in four years. The change will be 4.01 percent, which is \$88,573 over the FY2012 budgeted level. This increase is partially offset by a 4.01% increase in the intergovernmental cooperative agreement with the City of Holladay, which reimburses the City each year for "first in" responses from Cottonwood Heights' fire stations into Holladay. The increase in this reimbursement is \$6,015.

# **Capital Improvements Program (CIP)**

The FY2013 Capital Improvements Program (CIP) will be funded at levels permitted by utilizing a current year contribution from the General Fund Balance and estimated unspent CIP project balances from prior years. Surpluses identified from completed projects are added and allocated to other new/existing projects by amendment during the fiscal year.

2008-09 2009-10 2010-11 2011-12 2012-13 FY12 to

#### **GENERAL FINANCIAL OVERVIEW**

Cottonwood Heights has approximately seven and one-half years of history from its inception to the beginning of FY2013. There are approximately six and one-half years of actual expenditures and one year of projected actual expenditures to compare to the proposed budget. The following chart compares the last three years of actual revenue and expenditure history; FY2009, FY2010, and FY2011, and the FY2012 estimated actual to the FY2013 budget.

#### **GENERAL FUND**

	2008-09 Year Actual	2009-10 Year Actual	2010-11 Year Actual	Year Estimate	2012-13 Year Budget	FY12 to FY13 Change
REVENUE	\$14,507,436	\$14,425,086	\$14,810,833	\$14,776,658	\$14,484,288	-1.98%
EXPENDITURES	13,666,637	12,215,850	13,243,335	13,305,848	14,484,288	8.86%
Revenue Over (Under) Expenditures	\$840,799	\$2,209,236	\$1,567,498	\$1,470,810		-100.00%
Add Other Finacning Sources:						
Impact Fees	\$25,779	\$50,966	\$167,015		\$45,000	100.00%
Proceeds From Capital Lease	826,985			04 400		100 000/
Beginning Unspendable Prepaids Beginning Assigned Fund Balance	026.166	067.604	011 207	81,132	064 741	-100.00% 0.80%
Beginning Unassigned Fund Balance	936,166 499,543	867,694 762,504	811,287 1,171,153	857,894 2,108,468	864,741 2,122,816	0.80%
Sub Total	\$2,288,473	\$1,681,164	\$2,149,455	\$3,047,494	\$3,032,557	-0.49%
Subtract Other Financing Uses:	ΨΕ/200/ 173	Ψ1/001/101	ΨΕ/1 13/ 133	ψ3/0 17/13 1	ψ3/032/33/	011370
Transfer to Capital Projects Fund Unspendable Prepaids Restricted Awarded Asset Seizures	\$1,499,074	\$1,907,959	\$669,459 81,132 60,000	\$1,530,747	\$802,392	-47.58%
Unexpended Class C Road Funds	222,737	203,271	78,355			
Assigned Fund Balance	867,694	811,287	857,894	864,741	864,741	
Unassigned Fund Balance	539,767	967,882	1,970,113	2,122,816	407,263	-80.81%
Sub Total	\$3,129,272	\$3,890,399	\$3,716,953	\$4,518,304	\$2,074,396	-54.09%
Ending Fund Balance	\$1,630,198	\$1,982,440	\$3,047,494	\$2,987,557	\$1,272,004	-57.42%
Net Change in Fund Balance	\$194,488	\$352,242	\$1,065,054	-\$59,937	-\$1,715,553	2762.26%
CAPITAL PROJECTS FUND						
Interest Revenue Grant Revenue	\$152,808 1,000,000	\$45,393 413,134	\$34,473 145,800	\$28,092	\$35,000	24.59%
Total Revenue	1,152,808	458,527	180,273	28,092	35,000	24.59%
Other Financing Sources: Impact Fees				25,185		
Beginning Balance Carryover	8,856,964	8,260,843	7,238,782	5,799,508	3,275,021	-43.53%
Transfers From General Fund In-kind contibution	1,499,074	1,907,959 100,290	669,459	1,530,747	802,392	-47.58%
Total Available	\$11,508,846	\$10,727,619	\$8,088,514	\$7,383,532	\$4,112,413	-44.30%
Expenditures	\$3,248,003	\$3,488,837	\$2,289,006	\$4,108,511	\$4,112,413	0.09%
Balance remaining to carryover	\$8,260,843	\$7,238,782	\$5,799,508	\$3,275,021		

By comparing a summary of the 2009 through 2011 actual revenue and expenditures with the estimated 2012 revenue and expenditures and the adopted 2013 budgets we acquire a good understanding of the big picture and a general overview of the City's revenue and expenditures in this budget. The preceding chart makes that comparison.

To further understand this budget the Capital Projects Fund and the General Fund must be viewed together. The Capital Projects Fund has no revenue source other than potential grants and interest earnings and must receive transfers from the General Fund for resources to finance its expenditures.

The preceding table shows that the proposed appropriated transfer from the General Fund to the Capital Projects Fund is \$802,392 in FY2013, or \$728,355 less than estimated in FY2012. All of the

**Estimated** 

FY12

6,996,717

4,662,585

601,127 1,067,518

142,112

43,515 645,823

670,538

**Budgeted** 

**FY13** 

6,981,714

4,450,000 584,000

1,113,500 181,580

45,000

609,500

553,994

transfer amount comes from FY2011 year end General Fund unassigned fund balance. It is common practice to use these available resources for CIP needs. Additionally, remaining unspent CIP Project balances will be carried forward to FY2013 as well.

The following are summaries and charts comparing the governmental fund (all appropriated funds) revenue and expenditures beginning with FY2009 and ending with FY2013.

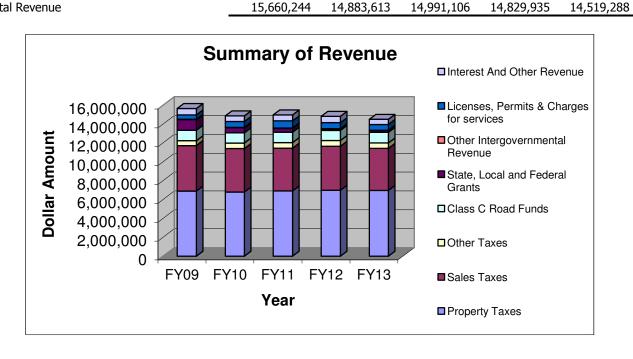
Since the City's beginning expenditures have remained relatively flat with two notable exceptions: 1) the costs associated with start up of the police department in FY2008 and FY2009, and 2) fluctuating expenditures on capital improvements. Expenditures have targeted enhancing public safety services, improving the city infrastructure, most notably parks, trails, and open space, to better serve the citizenry, and enhanced communication methods to aid the citizenry in knowing what is happening in their City.

# GOVERNMENTAL FUNDS (COMBINED) SUMMARY OF REVENUE

Actual Actual

Actual

	FY09	FY10	FY11
Property Taxes	6,914,705	6,812,943	6,926,106
Sales Taxes	4,819,775	4,607,702	4,531,512
Other Taxes	511,285	583,738	589,232
Class C Road Funds	1,099,858	1,068,952	1,099,462
State, Local and Federal Grants	1,132,849	546,774	390,686
Other Intergovernmental Revenue	33,563	35,236	46,230
Licenses, Permits & Charges for services	469,151	628,202	758,562
Interest And Other Revenue	679,059	600,067	649,316
Total Revenue	15,660,244	14,883,613	14,991,106



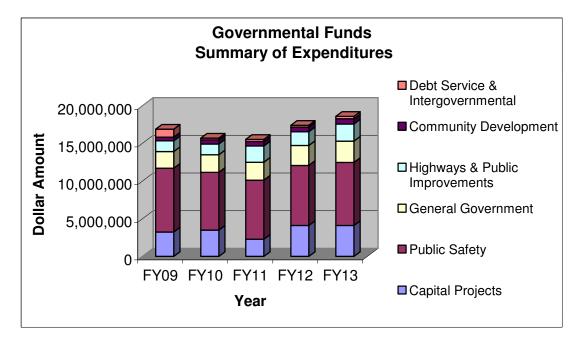
# GOVERNMENTAL FUNDS SUMMARY OF EXPENDITURES\*

Capital Projects
Public Safety
General Government
Highways & Public Improvements
Community Development
Debt Service & Intergovernmental
Total

Actual	Actual	Actual	Estimated	Budgeted
FY09	FY10	FY11	FY12	FY13
3,248,002	3,488,837	2,289,006	4,108,511	4,112,413
8,483,556	7,692,863	7,836,497	7,985,278	8,371,550
2,191,226	2,319,112	2,392,086	2,642,834	2,809,423
1,425,121	1,420,588	2,152,392	1,841,325	2,302,712
491,823	554,088	590,357	611,416	690,233
1,074,912	229,200	272,003	227,997	310,370
16,914,639	15,704,687	15,532,341	17,417,361	18,596,701

Note: Incease in 2009 Debt Service/Other & Intergovernmental is from 1st year of police vehicle lease program Police FY2009 Actual spike is for on time start-up costs for the Cottonwood Heights Police Department

\*Expenditures do not include interfund transfers. In FY2013 there are \$802,392 of General Fund transfers to the CIP Fund.



#### CONCLUSION

I'm pleased to present this amended FY2011-12 and adopted FY2012-13 budget to you. I thank the Mayor, Council, and City Manager for their interest and support guiding the preparation of this budget document, and each department director for their input and cooperation in the development of this budget, and the Finance Staff for their assistance during the development of this budget.

Steve L. Fawcett Budget Officer

2012-13 EXECUTIVE SUMMARY EXECUTIVE SUMMARY (BUDGET OFFICER'S MESSAGE)



**GOVERNMENT FINANCE OFFICERS ASSOCIATION** 

# Distinguished Budget Presentation Award

PRESENTED TO

# **Cottonwood Heights**

Utah

For the Fiscal Year Beginning

July 1, 2011

Line C. Davison Jeffry P. Ener

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **Cottonwood Heights, Utah** for the Annual Budget beginning **July 01, 2011**. This is the sixth consecutive year the city has earned this prestigious award. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a **policy document**, as an **operations guide**, as a **financial plan**, and as a **communications device**. This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



# General Fund Revenue and Other Sources Budget

	2008-09	2009-10	2010-11	2011-12	2012-13	2011 to 12
Description	Year Actual	Year Actual	Year Actual	Year Estimate	Year Budget	Budget Change
REVENUES						
TAXES						
Real Property Taxes	6,408,994	6,344,286	6,499,957	6,596,701	6,581,714	-0.23%
General Sales and Use Taxes	4,819,775	4,607,702	4,531,512	4,662,585	4,450,000	-4.56%
E911 Emergency Telephone Fees	232,723	299,774	294,601	298,336	300,000	0.56%
Fee-In-Lieu of Property Taxes	505,711	468,657	426,149	400,016	400,000	0.00%
Franchise Taxes - Cable TV	250,660	256,667	267,999	278,444	264,000	-5.19%
Innkeeper Tax	27,902	27,297	26,632	24,347	20,000	-17.85%
Total Taxes	12,245,765	12,004,382	12,046,850	12,260,429	12,015,714	-2.00%
LICENSES AND PERMITS						
Business Licenses and Permits	242,367	231,955	233,246	227,714	220,000	-3.39%
Buildings, Structures and Equipment	165,486	146,286	259,612	165,103	220,000	33.25%
Performance Bonds - Forfeited	3,043	27,206	E4 464	40.400	50.000	22.240/
Road Cut Fees	49,138	61,995	51,461	43,402	60,000	38.24%
Animal Licenses	12,160	9,362	11,151	10,357	9,000	-13.10%
Total Licenses and Permits	472,194	476,804	555,469	446,576	509,000	13.98%
INTERGOVERNMENTAL REVENUE						
Federal Grants	55,898	41,169	190,914	24,800	156,580	531.37%
Homeland Security Grant	10,825	12,250	40,018	98,557		-100.00%
Class C Roads	1,099,858	1,068,952	1,099,462	1,067,518	1,113,500	4.31%
Liquor Fund Allotment	33,563	35,236	46,230	43,515	45,000	3.41%
Local Grants	66,126	80,221	13,954	17,255	25,000	44.89%
Total Intergovernmental						
Revenues	1,266,270	1,237,828	1,390,578	1,251,645	1,340,080	7.07%
CHARGES FOR SERVICE						
Zoning and Sub-division Fees	164,376	151,398	203,093	182,040	100,000	-45.07%
Sale of Maps and Publications				0	500	100.00%
Total Charges for Services	164,376	151,398	203,093	182,040	100,500	-44.79%
FINES AND FORFEITURES						
Courts Fines	270,208	450,918	546,834	552,220	477,397	-13.55%
Total Fines and Forfeitures	270,208	450,918	546,834	552,220	477,397	-13.55%
MISCELLANEOUS REVENUE						
Interest Revenues	34,680	13,905	12,300	26,546	14,000	-47.26%
Miscellaneous Revenues	53,944	89,851	55,709	57,202	27,597	-51.76%
Total Miscellaneous Revenue	88,624	103,756	68,009	83,748	41,597	-50.33%
TOTAL REVENUES	14,507,436	14,425,086	14,810,833	14,776,658	14,484,288	-1.98%
OTHER SOURCES						
IMPACT FEES						
Storm Water Impact Fees	6,686	12,580	16,898	0	20,000	100.00%
Transportation Impact Fees	19,093	38,386	150,117	Õ	25,000	100.00%
Total Impact Fees	25,779	50,966	167,015	0	45,000	100.00%
OTHER SOURCES	-,		. , .		-,	
Proceeds from Capital Leases	826,985					
Total Other Sources	826,985	0	0	0		0.00%
USAGE OF FUND BALANCE	: 3,230					
Unassigned General Fund				1,542,093	757,392	-50.89%
Total Beginning Fund Balance	0			1,542,093	<b>757,392</b>	-50.89%
TOTAL OTHER FINANCING SOURCES		50,966	167,015			-47.97%
	852,764	30,900	107,015	1,542,093	802,392	-47.97%
GRAND TOTAL REVENUES AND	15 260 202	14 476 050	14.077.040	16 212 751	15 200 000	6.2224
OTHER FINANCING SOURCES	15,360,200	14,476,052	14,977,849	16,318,751	15,286,680	-6.32%

# OPERATING AND CAPITAL BUDGET

General Fund							
	<b>Expenditure</b>	s and Other	<b>Uses Budge</b>	et			
	2008-09	2009-10	2010-11	2011-12	2012-13	2012 to 13	
Description	Year Actual	Year Actual	Year	Year	Year	Budget	
	ACLUAI	Actual	Actual	Estimate	Budget	Change	
EXPENDITURES							
GENERAL GOVERNMENT  LEGISLATIVE							
Mayor & City Council	428,259	478,936	558,662	464,180	624,589	34.56%	
Planning Commission	5,897	4,144	4,970	4,759	9,950	109.08%	
Legislative Committees & Special Bodies	96,244	77,646	92,181	102,833	112,500	9.40%	
Total Legislative	530,400	560,725	655,813	571,772	747,039	30.65%	
JUDICIAL							
Court, Prosecutor & Defender	221,483	257,554	308,659	351,428	257,000	-26.87%	
Total Judicial EXECUTIVE & GENERAL GOVERNMEN	221,483	257,554	308,659	351,428	257,000	-26.87%	
City Manager & General Government		682,536	E21 126	592,131	731,106	23.47%	
Emergency Management	649,274	002,330	521,126	51,145	31,600	-38.21%	
Information Technology			103,881	119,791	152,500	27.31%	
Total Exec. & Gen. Government	649,274	682,536	625,007	763,067	915,206	19.94%	
ADMINISTRATIVE OFFICES	•	•	•	,	,		
Finance	213,639	146,558	292,152	263,442	324,590	23.21%	
Attorney	161,084	185,327	221,224	347,884	205,936	-40.80%	
Treasurer	73,971	95,505					
Administrative Services/Recorder	280,530	281,634	289,232	319,673	353,152	10.47%	
Elections	CO 045	49,028		25,568		-100.00%	
Business Licensing  Total Administrative Offices	60,845 <b>790,069</b>	818,297	802,607	956,567	883,678	-7.62%	
			·				
TOTAL GENERAL GOVERNMENT PUBLIC SAFETY	2,191,226	2,319,112	2,392,086	2,642,834	2,802,923	6.06%	
Police	5,239,683	4,428,131	4,486,785	4,907,534	4,985,572	1.59%	
Fire	3,081,976	3,115,337	3,204,815	2,927,761	3,215,907	9.84%	
Ordinance Enforcement	161,897	149,395	144,898	149,983	176,571	17.73%	
TOTAL PUBLIC SAFETY	8,483,556	7,692,863	7,836,497	7,985,278	8,378,050	4.92%	
HIGHWAYS AND PUBLIC IMPROV.							
Public Works (non-Class C)	274,803	545,932	760,999	886,160	1,144,212	29.12%	
Impact Fee Program	25,779 1,124,539	52,726	167,015 1,224,378	955,165	45,000	100.00% 0.00%	
Class C Road Program TOTAL HIGWAYS & PUBLIC IMPROV.		821,930			1,113,500		
COMMUNITY & ECON. DEVELOPMENT	1,425,121	1,420,588	2,152,392	1,841,325	2,302,712	25.06%	
Planning	491,823	463,836	553 <i>.</i> 527	582,066	642,600	10.40%	
Economic Development	131,023	103,030	36,830	29,350	47,633	62.29%	
Information Technology		90,252	20,020	_5,555	,000		
TOTAL COMM. & ECON. DEVELOPMENT	491,823	554,088	590,357	611,416	690,233	12.89%	
LEASE EXPENSE	•	· · · · · ·	· ·				
Interest and Principal		194,200	272,003	227,997	310,370	36.13%	
TOTAL LEASE EXPENSE	0	194,200	272,003	227,997	310,370	36.13%	
OTHER &INTERGOVERNMENTAL							
Police Vehicles	1,074,912	25.000					
Contribution to CH Rec Base Ball Park		35,000					
TOTAL OTHER & INTERGOVMENTAL	1,074,912	35,000	0	0	0		
TOTAL EXPENDITURES	13,666,638	12,215,851	13,243,336	13,308,850	14,484,288	8.83%	
OTHER USES						47 500/	
Transfers to Cap Improvement Fund	1,499,074	1,907,959	669,459	1,530,747	802,392	-47.58%	
TOTAL OTHER (USES)	1,499,074	1,907,959	669,459	1,530,747	802,392	-47.58%	
GRAND TOTAL EXPEND. & OTHER	15,165,712	14,123,810	13,912,795	14,839,597	15,286,680	3.01%	
INCREASE IN FUND BALANCE	194,488	352,242	1,065,054	1,479,154	0		

# **COTTONWOOD HEIGHTS Capital Projects Fund**

Description	2008-09 Year Actual	2009-10 Year Actual	2010-11 Year Actual	2011-12 Estimate	2012-13 Budget	2012 to 2013 Budget Change
REVENUES				_		
State Government Grants	1,000,000	375,000	0	0	0	0.00%
Federal Government Grants	1,000,000	38,134	145,800	0	0	0.00%
Impact Fees	0	0	0	25,185	0	0.00%
Interest Revenues	152,808	45,393	34,473	28,092	35,000	24.59%
TOTAL REVENUES	1,152,808	458,527	180,273	53,277	35,000	-34.31%
OTHER FINANCING SOURCES	1/132/000	-150/527	100/275	33/277	35/000	
Transfers from General Fund						
Class C Road	0	0	0	78,355	0	-100.00%
General Fund Other	1,499,074	1,907,959	669,459	1,428,798	802,392	-43.84%
In-Kind Capital Contribution	1,133,071	100,290	003/103	1,120,750	002,032	1310 170
Resticted Fund Balance:		100,230				
Federal Grants				23,594	0	-100.00%
Unreserved Fund Balance:				20,00	· ·	200.0070
City Center/Parks			4,637,713	4,418,560	2,294,711	-48.07%
Other Unreserved Fund Balance	8,856,965	8,260,844	2,601,069	1,380,948	980,310	-29.01%
TOTAL OTHER SOURCES						-44.38%
TOTAL REVENUE/OTHER SOURCES	10,356,039 11,508,847	10,269,093 10,727,620	7,908,241 8,088,514	7,330,255 7,383,532	4,077,413 4,112,413	
-	11,506,647	10,727,020	8,088,314	7,363,332	4,112,413	-44.30%
EXPENDITURES						
Pavement Maintenance	876,693	1,146,971	461,971	672,184	300,000	-55.37%
ADA Ramps	133,746	54,953	35,162	42,023	67,348	60.26%
FT Union Level Course	94,170	609,641	362,509	0	28,193	0.00%
Intersection Improvements	0	0	32,933	46,481	0	0.00%
Infrastructure Mapping	16,556	36,921	0	0	0	0.00%
Bus Bench Installation	23,316	0	0	0	0	0.00%
Traffic Calming	66,029	95,546	16,969	10,449	97,256	830.77%
Timberline Trailhead	0	188,355	400	0	0	0.00%
Storm Drain Improvements	113,750	255,832	49,567	0	0	0.00%
Caballero Storm Drain	58,667	0	0	0	0	0.00%
Reindeer Storm Drain	226,338	0	1,800	0	0	0.00%
Cross Gutter Replacement	46,437	26,459	32,683	39,268	38,000	-3.23%
Big Cottonwood Canyon Trail	840,648	670,735	120,293	75,224	386,831	414.24%
Parks, Trail and Open Space	187,033	0	0	0	0	0.00%
Traffic Signal Upgrades	48,949	82,110	21,280	22,669	30,000	32.34%
Street Lighting Program	27,605	0	24,894	3,876	161,345	4062.67% 0.00%
Bridge Rehabilitation	34,383	0	0	14.622	146 571	
Danish Road Project	37,395	0	4,124 0	14,623 0	146,571 0	902.33%
Transportation Plan Update Storm Water Plan Update	38,963	6,885	20,215	0	0	0.00% 0.00%
FT Union Timing Study	5,833	0,883	20,213	0	0	0.00%
5 ,	42,327	57,952	0	0		0.00%
Storm Drain Cleaning & Maintenance Park Improvements	13,512 47,710	52,845	0	0	0 0	0.00%
Sidewalk Replacement	68,981	43,584	47,817	58,536	50,000	-14.58%
3000 East Reconstruction	00,901		0	38,330	0,000	0.00%
EECBG Milne Dr/Danville/Deer	U	7,150	U	U	U	0.00%
Cr/Timberline Lighting	0	0	3,577	4,200	0	-100.00%
Cry rimberline Lighting Clean Vehicle Fuel	0	26,688	0	0	0	0.00%
Street Sign Upgrades	0	20,000	(126)	0	0	0.00%
Union Park Gateway Study	0	0	(126)	0	0	0.00%
Highland Drive Landscaping	0	0	48,415	38	0	0.00%
Old Mill Pond Wall (Fence)	0	0	49,155	0	0	0.00%
Public Works Site	0	0	337,157	13,039	30,000	0.00%
I dolle Works Site	0	0	337,137	13,039	30,000	0.00 70

# OPERATING AND CAPITAL BUDGET

# **COTTONWOOD HEIGHTS Capital Projects Fund**

Description	2008-09 Year Actual	2009-10 Year Actual	2010-11 Year Actual	2011-12 Estimate	2012-13 Budget	2012 to 2013 Budget Change
Safe Routes to School	0	0	7,640	0	34,393	100.00%
Prospector Trailhead	0	0	29,951	347	0	0.00%
Brighton Way Storm Drain	0	0	1,725	0	0	0.00%
Deville Dr. Storm Drain	0	0	13,408	0	0	0.00%
Butler Hills Storm Drain	0	0	27,606	0	0	0.00%
East Jordan Canal	0	0	15,030	400,000	0	-100.00%
Traffic Calming-Rolling Knolls Area	0	0	20,224	4,388	0	0.00%
7200 S. Sidewalk	0	0	1,313	0	66,000	0.00%
2300 E. Storm Drain	0	0	710	34,288	0	-100.00%
EECBG Bouchelle Lighting	0	0	12,323	0	0	0.00%
EECBG Staker Way Lighting	0	0	0	0	0	0.00%
EECBG Park Centre Dr Lighting	0	11,546	137,895	42,295	0	-100.00%
EECBG 1300 E. Lighting	0	0	4,053	21,234	0	-100.00%
Water Vista/Little Cottonwood St Drain	0	0	0	20,829	0	-100.00%
Miscellaneous Small Projects	198,961	114,664	20,135	80,293	189,022	135.42%
Emergency-Construction	0	0	0	18,097	132,743	633.51%
Emergency-Capitalized Engineering	0	0	0	0	10,000	100.00%
Mountview Park	0	0	5,925	2,479,939		-100.00%
Comprehesive CIP Sustainability Plan	0	0	0	0	50,000	100.00%
City Center and Parks Development	0	0	320,276	4,191	2,294,711	54653.30%
TOTAL EXPENDITURES	3,248,002	3,488,837	2,289,006	4,108,511	4,112,413	0.09%
Excess of Revenue and Other Funding Sources over/(under) Expenditures and Other Uses	8,260,844	7,238,782	5,799,508	3,275,021	0	0.00%
ENDING UNRESERVED FUND BALANCE	8,260,844	7,238,782	5,799,508	3,275,021		0.00%

# COTTONWOOD HEIGHTS Employee Benefits Fund (an Internal Service Fund)

Description	2008-09 Year Actual	2009-10 Year Actual	2010-11 Year Actual	2011-12 Estimate	2012-13 Budget	2012 to 13 Budget Change
REVENUE AND OTHER SOURCES						
Charges for Employee Benefits Interest Revenue	77,027 943	46,722 826	59,112 912	16,472 1,625	104,371 900	533.63% -44.62%
Total Revenue	77,970	47,548	60,024	18,097	105,271	481.70%
Beginning Balance to Appropriate	45,697	123,667	171,215	231,239	336,510	45.52%
TOTAL REVENUE & OTHER SOURCES	123,667	171,215	231,239	249,336	441,781	77.18%
EXPENSES AND OTHER USES						
Employee Benefits	77,970	47,548	60,024	18,096	105,271	481.74%
Total Expense	77,970	47,548	60,024	18,096	105,271	481.74%
PTO Accrual-Future Liab. Carryover	45,697	123,667	171,215	231,239	336,510	45.52%
TOTAL EXPENSES & OTHER USES	123,667	171,215	231,239	249,335	441,781	77.18%
NET ASSETS						
Net Assets Beginning	45,697	123,667	171,215	231,239	249,335	7.83%
Net Assets Ending	123,667	171,215	231,239	249,335	354,606	42.22%
Expected Current Year-end Liability Balance	123,667	171,215	231,239	249,335	354,606	42.22%

**General Fund Revenue and Other Sources with Impact on Fund Balance** 

	2008-09	2009-10	2010-11	2011-12	2012-13	2012 to 13
Description	Year	Year	Year	Year	Year	Budget
	Actual	Actual	Actual	<b>Estimate</b>	Budget	Change
BEGINNING UNASSIGNED						
FUND BALANCE	1,435,709	1,630,198	1,982,440	3,047,494	3,881,953	27.38%
REVENUES						
TAXES						
Real Property Taxes	6,408,994	6,344,286	6,499,957	6,596,701	6,581,714	-0.23%
General Sales and Use Taxes	4,819,775	4,607,702	4,531,512	4,662,585	4,450,000	-4.56%
E911 Emergency Telephone Fees	232,723	299,774	294,601	298,336	300,000	0.56%
Fee-In-Lieu of Property Taxes	505,711	468,657	426,149	400,016	400,000	0.00%
Franchise Taxes - Cable TV	250,660	256,667	267,999	278,444	264,000	-5.19%
Innkeeper Tax	27,902	27,297	26,632	24,347	20,000	-17.85%
Total Taxes	12,245,765	12,004,382	12,046,850	12,260,429	12,015,714	-2.00%
LICENSES AND PERMITS						
Business Licenses and Permits	242,367	231,955	233,246	227,714	220,000	-3.39%
Buildings, Structures and Equipment	165,486	146,286	259,612	165,103	220,000	33.25%
Performance Bonds - Forfeited	3,043	27,206	0	0	0	0.00%
Road Cut Fees	49,138	61,995	51,461	43,402	60,000	38.24%
Animal Licenses	12,160	9,362	11,151	10,357	9,000	-13.10%
Total Licenses and Permits	472,194	476,804	555,469	446,576	509,000	13.98%
INTERGOVERNMENTAL REVENUE						
Federal Grants	55,898	41,169	190,914	24,800	156,580	531.37%
Homeland Security Grant	10,825	12,250	40,018	98,557	0	-100.00%
Class C Roads	1,099,858	1,068,952	1,099,462	1,067,518	1,113,500	4.31%
Liquor Fund Allotment	33,563	35,236	46,230	43,515	45,000	3.41%
Local Grants	66,126	80,221	13,954	17,255	25,000	44.89%
Total Intergovernmental						
Revenues	1,266,270	1,237,828	1,390,578	1,251,645	1,340,080	7.07%
CHARGES FOR SERVICE						
Zoning and Sub-division Fees	164,376	151,398	203,093	182,040	100,000	-45.07%
Sale of Maps and Publications	0	0	0	0	500	0.00%
Total Charges for Services	164,376	151,398	203,093	182,040	100,500	-44.79%
FINES AND FORFEITURES						
Courts Fines	270,208	450,918	546,834	552,220	477,397	-13.55%
Total Fines and Forfeitures	270,208	450,918	546,834	552,220	477,397	-13.55%
MISCELLANEOUS REVENUE						
Interest Revenues	34,680	13,905	12,300	26,546	14,000	-47.26%
Miscellaneous Revenues	53,944	89,851	55,709	57,202	27,597	-51.76%
Total Miscellaneous Revenue	88,624	103,756	68,009	83,748	41,597	-50.33%
TOTAL REVENUES	14,507,436	14,425,086	14,810,833	14,776,658	14,484,288	-1.98%

# **General Fund Revenue and Other Sources with Impact on Fund Balance**

	2008-09	2009-10	2010-11	2011-12	2012-13	2012 to 13
Description	Year	Year	Year	Year	Year	Budget
	Actual	Actual	Actual	<b>Estimate</b>	Budget	Change
OTHER FINANCING SOURCES						
IMPACT FEES						
Storm Water Impact Fees	6,686	12,580	16,898	0	20,000	100.00%
Transportation Impact Fees	19,093	38,386	150,117	0	25,000	100.00%
Total Impact Fees	25,779	50,966	167,015	0	45,000	100.00%
OTHER SOURCES						
Proceeds from Capital Leases	826,985	0	0	0	0	0.00%
Total Other Sources	826,985	0	0	0	0	0.00%
FUND BALANCE						
Unassigned:						
General Fund	0	0	0	1,542,093	757,392	-50.89%
Total Beginning Fund Balance	0	0	0	1,542,093	757,392	-50.89%
TOTAL OTHER FINANCING SOURCES	852,764	50,966	167,015	1,542,093	802,392	-47.97%
GRAND TOTAL BUDGETED REVENUES AND OTHER						
FINANCING SOURCES	15,360,200	14,476,052	14,977,849	16,318,751	15,286,680	-6.32%

**General Fund Expenditures and Other Uses Impact with Impact on Fund Balance** 

	2008-09	2009-10	2010-11	2011-12	2012-13	2012 to 13
Description	Year	Year	Year	Year	Year	Budget
Description	Actual	Actual	Actual	Estimate	Budget	Change
EXPENDITURES						
GENERAL GOVERNMENT						
LEGISLATIVE						
Mayor & City Council	428,259	478,936	558,662	464,180	624,589	34.56%
Planning Commission	5,897	4,144	4,970	4,759	9,950	109.08%
Legislative Committees & Special Bodies	96,244	77,646	92,181	102,833	112,500	9.40%
Total Legislative	530,400	560,725	655,813	571,772	747,039	30.65%
JUDICIAL						
Court, Prosecutor & Defender	221,483	257,554	308,659	351,428	257,000	-26.87%
Total Judicial	221,483	257,554	308,659	351,428	257,000	-26.87%
EXECUTIVE & GENERAL GOVERNMEN	T					
City Manager & General Government	649,274	682,536	521,126	592,131	731,106	23.47%
Emergency Management	. 0	. 0	. 0	51,145	31,600	-38.21%
Information Technology	0	0	103,881	119,791	152,500	27.31%
Total Executive & General	649,274	682,536	625.007	762.067	015 206	10.040/-
Government	049,274	082,530	625,007	763,067	915,206	19.94%
ADMINISTRATIVE OFFICES						
Finance	213,639	146,558	292,152	263,442	324,590	23.21%
Attorney	161,084	185,327	221,224	347,884	205,936	-40.80%
Treasurer	73,971	95,505				
Administrative Services/Recorder	280,530	281,634	289,232	319,673	353,152	10.47%
Elections	0	49,028	0	25,568	0	-100.00%
Business Licensing	60,845	60,246				
Total Administrative Offices	790,069	818,297	802,607	956,567	883,678	-7.62%
Total General Government	2,191,226	2,319,112	2,392,086	2,642,834	2,802,923	6.06%
PUBLIC SAFETY						
Police	5,239,683	4,428,131	4,486,785	4,907,534	4,985,572	1.59%
Fire	3,081,976	3,115,337	3,204,815	2,927,761	3,215,907	9.84%
Ordinance Enforcement	161,897	149,395	144,898	149,983	176,571	17.73%
Total Public Safety	8,483,556	7,692,863	7,836,497	7,985,278	8,378,050	4.92%
HIGHWAYS AND PUBLIC IMPROVEMEN	ITS					
Public Works (non-Class C)	274,803	545,932	760,999	886,160	1,144,212	29.12%
Impact Fee Program	25,779	52,726	167,015	0	45,000	100.00%
Class C Road Program	1,124,539	821,930	1,224,378	955,165	1,113,500	16.58%
Total Highways and Public Improvements	1,425,121	1,420,588	2,152,392	1,841,325	2,302,712	25.06%
COMMUNITY AND ECONOMIC						
DEVELOPMENT						
Planning	491,823	463,836	553,527	582,066	642,600	10.40%
Economic Development	0	0	36,830	29,350	47,633	62.29%
Information Technology	0	90,252	0	0	0	0.00%
Total Community & Economic Development	491,823	554,088	590,357	611,416	690,233	12.89%

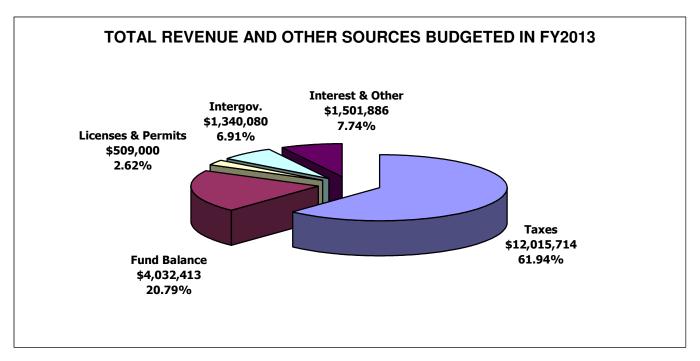
# **General Fund Expenditures and Other Uses with Impact on Fund Balance**

Description	2008-09 Year Actual	2009-10 Year Actual	2010-11 Year Actual	2011-12 Year Estimate	2012-13 Year Budget	2012 to 13 Budget Change
LEASE EXPENSE  Interest and Principal	0	194,200	272 002	227 007	310,370	36.13%
Total Lease Expense	0 0	194,200	272,003 272,003	227,997 <b>227,997</b>	310,370	36.13%
OTHER &INTERGOVERNMENTAL  EXPENDITURES  Police Vehicles  Contribution to CH Rec Base Ball Park	1,074,912 0	0 35,000	0	0	0	0.00% 0.00%
Total Intergovernmental Expenditures TOTAL EXPENDITURES	1,074,912	35,000 12,215,851	0 13,243,336	0 13,308,850	0	0.00%
OTHER USES	15/000/050	12/213/031	13/2 13/330	13/300/030	2 1/10 1/200	0.00 70
Transfers to Cap Improvement Fund	1,499,074	1,907,959	669,459	1,530,747	802,392	-47.58%
Total Other Financing Uses	1,499,074	1,907,959	669,459	1,530,747	802,392	-47.58%
TOTAL OTHER (USES)  GRAND TOTAL BUDGETED	1,499,074	1,907,959	669,459	1,530,747	802,392	-47.58%
EXPENDITURES AND OTHER USES TOTAL ENDING UNASSIGNED FUND BALANCE	1,630,198	1,982,440	3,047,494	14,839,597 4,526,648	15,286,680 4,526,648	3.01%
NET CHANGE TO UNASSIGNED FUND BALANCE	194,488	352,242	1,065,054	1,479,154	0	

#### WHERE DO THE FUNDS COME FROM

The following chart and pie graph summarizes the 2013 total revenue and other sources

COTTONWOOD HEIGHTS 2013 TOTAL REVENUE & OTHER FINANCING SOURCES					
Taxes Fund Balance Licenses & Permits Intergovernmental Interest & Other	\$12,015,714 \$4,032,413 \$509,000 \$1,340,080 \$1,501,886 \$19,399,093				
Total Revenue Fund Balance Other Sources	\$14,519,288 \$4,032,413 \$847,392 \$19,399,093				



The preceding graph shows all of the revenue and other sources that finance the budgets of the governmental funds. Of the total; 1)current revenue is \$14,519,288; 2)other sources (Impact fees) are \$45,000 and (transfers to the Capital Improvement Fund from the General Fund) are \$802,392; 3)General Fund balance is \$757,392 which includes most of the total transfer to CIP of \$802,392 and; 4)unspent Capital Project balances carried forward as Capital Improvement Fund Balance is \$3,275,021.

Taxes and intergovernmental revenue total \$13,355,794 and represents 68.85% of all budgeted sources.

#### **MAJOR REVENUE SOURCES**

Property tax, including Motor Vehicle (Fee-in-Lieu) and Sales tax are the two most significant revenue sources for Cottonwood Heights, representing 79% of total current revenue. Property tax, including Motor Vehicle is 48% of total current revenue and Sales tax is 31%.

### PROPERTY TAX REVENUE AND THE PROPERTY TAX RATE

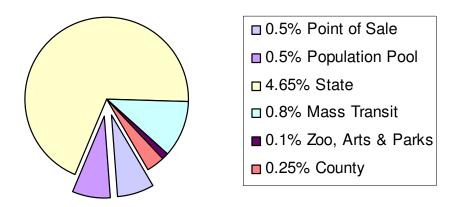
Property tax for Utah local governments is regulated by Utah State law collectively referred to as Truth-in-Taxation legislation or law. This law requires each county auditor, under the supervision of the State Tax Commission, to calculate a certified tax rate for each local government that assesses a property tax. This certified tax rate is a rate that will give the local government approximately the same amount of property tax revenue as it received the previous year plus taxes generated by applying the rate to "new growth." "New growth" is calculated by a formula that combines the following: 1) Current taxable values, 2) Changes in value as the result of general inflation/deflation factoring, 3) Changes in value as a result of reappraisals and 4) Less the prior years taxable value. The net amount that this formula produces either positive or negative is "new growth" as defined by the Truth-in-Taxation law. Taxpayers throughout the state generally accept the fact that the "certified rate" is the minimum required to sustain the current local government service level. The City Council has determined that the city will not exceed the "certified tax rate." The predetermined decision not to exceed the "certified tax rate" makes estimating property tax revenue a process of simply calculating the revenue from the taxable values and "certified rate" supplied by the county auditor. Property tax assessed and collected for the calendar year 2012 provides the revenue to finance the fiscal 2013 budget year. Property is valued as of January 1<sup>st</sup> each year, rates are set before the end of August and taxes are due November 30. Because the City operates on a fiscal year basis, the payment of 2012 calendar year taxes falls in the 2013 fiscal year of the City. The County Assessor determines a taxable value including "new growth" and the County Auditor calculates the "certified tax rate." The certified tax rate is available by June 8 each year, and is accessible through the State Tax Commission website. Property tax revenue is calculated using this known information and it will prove to be an accurate estimate. Taxpayer appeals to the county board of equalization, a delinquency rate that may depart from the five year average delinquency rate used in the (certified tax rate) calculations or a variance in estimated delinquent collections will cause actual revenue to vary from the estimate. The estimated property tax revenue amount generated by the rate of .002586 in the FY2012 budget was \$6,437,173. The certified tax rate for Tax Year 2013 is .002654 and will generate a budget of \$6,431,714. New growth was calculated to be \$3,090,639 of certified tax rate value. This new growth value added \$8,203 of tax rate base revenue.

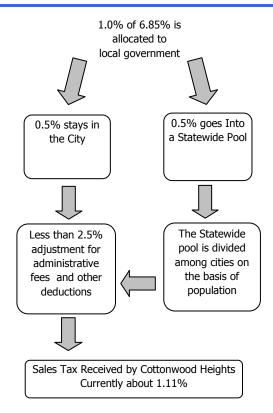
The city also collects a Motor Vehicle Fee, referred to as the "Fee-in-Lieu" of property tax on automobiles and light trucks. This fee is collected according to a state-wide fee schedule. In this budget the amount estimated is \$400,000. The amount of Motor Vehicle revenue available to all property tax collecting entities is determined by the number of automobiles and light trucks in the county and their age. The distribution of the amount to each entity in the county is determined by the proportion that each property tax is of the total property tax in the county. Information is not accurately available on either of these two factors that determine Cottonwood Heights' revenue from this source. Throughout the early history of the city, this revenue was approximately \$500,000 but since 2009 dropped each year until FY2012 when we saw a leveling off. Several factors can and do influence the revenue received from Motor Vehicle Fees, such as new vehicle sales and newer vehicle renewals, and the total number of vehicles registered per household.

## **SALES TAX REVENUE**

The following pie chart explains the distribution of total sales tax which is collected on most taxable sales within Cottonwood Heights. Of the total 6.85% collected by the State Tax Commission on sales within Cottonwood Heights, one percent goes to local government. Of this one percent, one half percent is paid to the City based on sales in the city and the other one half percent is paid into a state pool and distributed to taxing entities based on population. Please see flow chart below. Cottonwood Heights receives more from the state pool than is contributed to the pool from sales in the city. In FY2012, Cottonwood Heights has collected through May an average 1.106% of sales taxes generated within the city. This average of 1.106% compares to 1.100% for FY2011 and 1.116% in FY2010. Cottonwood Heights' percent of the total Utah population is declining therefore the amount of sales tax revenue received as a percent of that contributed to the pool is declining. Estimates of sales tax revenue are affected by many factors; sales in the city, sales in the state, and Cottonwood Heights' population as a percent of state population. From data gathered from the Utah State Tax Commission actual distributions of Sales and Use Taxes for FY2010 declined 5.6% compared to FY2008. Sales Tax distributions to all Cities and Towns state wide declined 6.6 % in FY2009 as compared to FY2008. The current Utah State Tax Commission data indicates that FY2011 average year to date total statewide local point of sale collections increased 3.99% over FY2010. FY2012 year to date data indicates a statewide average increase in the first nine months of 5.97%. However, Cottonwood Heights as a percent of the state population (the population factor) decreased from an average factor of 1.36% for 2008 to a factor of 1.33% for 2009, 1.29% for 2010, and 1.27% for 2011 and 1.21% in 2012. Based on these trends, and budgeting very conservatively, FY2011 sales tax revenue was projected at \$3.9 million, but was adjusted to \$4.18 million. Actual collections were \$4.5 million. FY2012 projection was set at \$4.3 million and recent projections are for collections to be \$4.6 million. FY2013 sales tax revenue is projected conservatively at \$4.45 million. Sales tax revenue began to decrease in September 2008 and that decrease has appeared to have leveled off. The budget projection for 2013, although still conservative, anticipates the sales tax revenue in the city to slightly improve in the second half of fiscal year 2013.

6.85% is collected on all applicable sales in the city





\*The 2.5% is the amount that the law allows the State Tax Commission to deduct for collection and administration. Note: The combined tax rate on food and food ingredients is 3% but the city's rate is still 1%.

#### OTHER AND INTERGOVERNMENTAL REVENUE

Other than taxes and fund balances, intergovernmental revenue is the remaining major funding source of the governmental fund budgets. Intergovernmental revenue (\$1,340,080) is 8.75% of total revenue. Included in the \$1,340,080 is a federal CDGB grant of \$156,580 and a state Liquor Fund allotment of \$45,000. The remaining \$1,138,500 is \$1,113,500 of estimated Class C road fund revenue used to finance maintenance/construction of streets including street lights and sidewalks, and \$25,000 anticipated from the State of Utah for support of the Crime Victims Advocate position. The \$1,113,500 in Class C Road funds is 7.67% of total revenue used to support governmental fund budgets. This revenue is Cottonwood Heights' share of the state taxes collected from the sale of motor fuels. Fifty percent of the amount distributed by the state to cities and counties is based on population and fifty percent is based on weighted road miles. The weighting is based on type of road surface. The first full year that Cottonwood Heights collected this revenue was 2006. In 2007, this revenue source decreased compared to 2006 because of a change in distribution timing which distributed thirteen months revenue into 2006. In 2008 this revenue source decreased approximately 2%. Even though there was a 1.49% increase in total distribution, less was received because of a decline in population as a percentage of total state population and a reduction in road miles. The reduction in road miles was caused by the removal of some private streets previously counted as city streets. The first eight months of 2009 revenue decreased 7.65% compared to the same period of 2008. For the same period state wide revenue decreased 1.28%. A new hold harmless feature in the distribution formula took \$22,855 from Cottonwood Heights and redistributed it to some counties and also Cottonwood Heights' population as a percentage of the State population continues to decline. The 2010 budget for class C road fund revenue was projected to be \$1,189,500, a 3.43 % increase

over 2009 based on a 5% increase in total amount distributed, but partly offset by a continuing decrease in the city's share of the distribution. This budget was subsequently reduced to \$931,366. Actual collections in 2010 were \$1,068,952, and \$1,099,462 in FY2011. The FY2012 budget was approved at \$1,113,500 and \$1,067,518 was collected. The FY2013 budget is projected at \$1,113,500.

Other revenue estimates are based on a projection of recent past experience. Economic conditions are slowly improving and so is revenue from building permits, zoning and subdivision fees, and interest earnings. The 2013 budget is built on the assumption that the increases in building and construction economic conditions during the past year will continue but not grow.

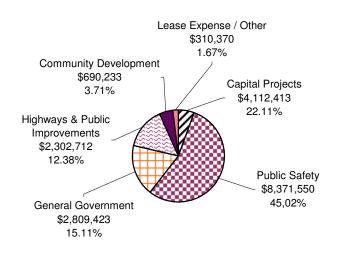
#### TOTAL EXPENDITURES AND OTHER USES FOR GOVERNMENTAL FUNDS

The following chart and pie graph summarize FY2013 total governmental fund expenditures

#### **COTTONWOOD HEIGHTS 2013 BUDGETED EXPENDITURES**

Description	Dollar Amount	Percentage
Capital Projects New and Carryover	\$4,112,413	22.11%
Public Safety	\$8,371,550	45.02%
General Government	\$2,809,423	15.11%
Highways & Public Improvements	\$2,302,712	12.38%
Community Development	\$690,233	3.71%
Lease Expense / Other	\$310,370	1.67%
Total	\$18,596,701	100.00%

# **2013 TOTAL EXPENDITURES**



#### **GENERAL FUND EXPENDITURES**

Economic conditions continue to make it necessary to refine and improve city services and curtail some services.

The table below compares city staffing levels from its beginning to the staffing level planned for the 2013 budget. Staffing level in this chart is measured by daily full time equivalent (FTE). 1.00 FTE is an employee working eight hours per day and the count shown in the chart is the number of FTE's at the end of the fiscal year. The elected mayor and council are counted as one FTE each.

# COTTONWOOD HEIGHTS EMPLOYEE STAFFING LEVELS SUMMARY

		2007	2008	2009	2010	2011	2012	2013
DEPART	MENT	FTE						
MAYOR & COUNCIL	GENERAL GOVERNMENT	5.00	5.00	5.00	5.00	5.00	5.00	5.00
CITY MANAGER'S OFFICE	GENERAL GOVERNMENT	3.19	3.25	2.50	2.50	2.25	3.25	3.50
FINANCE	GENERAL GOVERNMENT	1.88	2.64	1.50	2.25	3.00	3.00	3.00
DATA PROCESSING	GENERAL GOVERNMENT	0.25	0.25	0.00	0.00	0.00	0.00	0.00
TREASURER/BUDGET OFFICER	GENERAL GOVERNMENT	0.91	0.96	0.63	0.63	0.00	0.00	0.00
ADMINSTRATIVE SERVICES	GENERAL GOVERNMENT	1.00	2.00	4.14	4.14	4.86	4.86	5.14
BUSINESS LICENSING	GENERAL GOVERNMENT	1.00	1.00	1.00	1.00	0.00	0.00	0.00
PLANNING	COMM. & ECON. DEVEL.	4.50	4.50	4.50	3.15	4.00	4.54	4.54
PUBLIC WORKS	HIGHWAYS & PUB. IMPROV.	1.00	1.00	2.00	2.00	4.20	4.00	4.65
ORDINANCE ENFORCEMENT	PUBLIC SAFETY	0.00	3.00	2.00	2.00	2.00	2.00	2.00
POLICE	PUBLIC SAFETY	0.00	2.00	41.75	43.25	45.25	46.73	46.98
TOTAL EMPLOYEES		18.73	25.60	65.02	65.92	70.56	73.38	74.81

The planned position changes reflect minor adjustments to improve service, add efficiency, and allocate duties, while maintaining staff and where possible, reducing other areas to cover the costs.

A full position by position history and count of all positions can be found starting on page 234.

#### DEPARTMENT BY DEPARTMENT DESCRIPTION OF BUDGETED STAFFING CHANGES

# **Mayor and City Council**

There are no personnel/staffing changes in the Mayor and City Council Office.

#### City Manager's Office

The Information Systems Technician II position increase after the FY2012 budget was adopted from three-quarter time to full time because the workload had proven to be more than three-quarter time could accommodate and that change is noted here to update the official staffing document for FY2013. The budget impact is \$12,363.

#### Finance

There are no full time equivalent changes in the Finance Department; however, there was turnover of the Accounting Manger position that changed the appropriation amount for salary and benefits.

# **Administrative Services**

The Human Resource Specialist –Benefits position will increase by 0.13 FTE from .50 to .63. This change provides the additional resources to help manage the staff evaluation program and process and to share other responsibilities of the department. The budget impact is neutral. A part time/intern position budget was reduced by a like amount. The Events

Coordinator position will increase by 0.02 FTE from .48 to .50. This change provides more time to attend more of the events and coordinate the City's efforts. The budget impact is \$3,308. The Office Assistant II position will increase by 0.13 FTE from .50 to .63. This change provides the additional resources to help with the front counter and assist in management of records by facilitating the retention schedules and transferring records to *laserfische* document imaging and to share other responsibilities of the department. The budget impact is neutral. A part time/intern position budget was reduced by a like amount

#### **Community and Economic Development**

There are no full time equivalent changes in the Community and Economic Development Department; however, there was turnover of the Associate Planner position that changed the appropriation amount for salary and benefits.

#### **Public Works**

A two-person seasonal crew of PW Operations Specialist I positions will increase by .65 FTE. This crew will be employed June through September to help with the storm drain camera operation and mapping work, weed control, graffiti removal, banner hanging and maintenance, float transportation and driving, tree trimming, and other duties as necessary to supplement the full time Specialists. This allows the full time Specialists to concentrate their work efforts on their regular responsibilities. The budget impact is \$17,628.

#### **Police**

A .25 part-time Police Officer position will be added to supplement staffing positions that are deployed in military service. The budget impact is neutral. Attrition adjustments covered the small increase. The full time equivalent count for crossing guards is corrected to actually reflect the number of crossing guards on regular duty. Additionally, there was turnover of the Police Officer positions that changed the appropriation amount for salary and benefits.

#### **Ordinance Enforcement**

There are no personnel/staffing changes in Ordinance Enforcement.

# DEPARTMENT BY DEPARTMENT DESCRIPTION OF SIGNIFICANT NON STAFFING BUDGET CHANGES (FROM FY2012 AMENDED BUDGET TO FY2013 ADOPTED BUDGET)

#### **General Government**

# **Mayor and City Council**

#### Increases:

- $\Delta$  \$2,262 for 3% Cost of Living Adjustment (COLA)
- Δ \$1,712 for State Legislature mandated change in retirement rates
- Δ \$16,840 for higher allocations of Community Development Block Grant funding

## City Manager

#### Increases:

- Δ \$12,908 for COLA and other discretionary compensation adjustments
- $\Delta$  \$12,363 for the annualized cost increase of IT and Emergency Mgmt. adjustments
- Δ \$5,583 for State Legislature mandated change in retirement rates
- $\Delta$  \$1,798 for Health Insurance Premium adjustments.
- Δ \$26,448 for contractual adjustment for City Hall rent

# **Information Technology (Data Processing)**

#### Increases:

 $\Delta$  \$30,878 (funded by fund balance) for the one-time purchase of computer equipment and software as outlined in Phase II of the IT plan (see page 127-128 for detail)

#### **Finance**

#### Increases:

- $\Delta$  \$14,859 for COLA and other discretionary compensation adjustments and implementation of the compensation study
- Δ \$2,766 for State Legislature mandated change in retirement rates
- Δ \$8,331 for Health Insurance Premium adjustments

# **City Attorney**

#### Decreases:

 $\Delta$  -\$219,206 for one time litigation and outside attorney consultation

## **Administrative Services**

#### Increases:

- $\Delta$  \$9,891 for COLA and other discretionary compensation adjustments and implementation of the compensation study
- Δ \$4,128 for State Legislature mandated change in retirement rates
- Δ \$1,400 for minute books and Utah State Department of Commerce "one stop shop" business registration program upgrades

#### Decreases:

∆ -\$10,000 for compensation study consultant

#### Election

#### Decreases:

 $\Delta$  -\$40,000 for election processing costs. No municipal election in FY2013

# **Community and Economic Development**

#### **Planning**

#### Increases:

- $\Delta$  \$18,706 for COLA and other discretionary compensation adjustments and implementation of the compensation study
- Δ \$3,380 for State Legislature mandated change in retirement rates

#### Decreases:

- $\Delta$  -\$2,500 for miscellaneous small adjustments
- Δ -\$4,954 for Health Insurance Premium rates

#### **Highways and Public Improvements**

## **Public Works**

#### Increases:

- △ \$16,618 for COLA and other discretionary compensation adjustments and implementation of the compensation study
- Δ \$4,334 for State Legislature mandated change in retirement rates
- $\Delta$  \$4,375 for gasoline, oil & grease based on anticipated price increases
- Δ \$45,482 for drainage maintenance improvements
- Δ \$40,500 for grounds maintenance based on contract price to maintain Mountview Park

#### **Public Safety**

## **Ordinance Enforcement**

#### Increases:

- $\Delta$  \$3,102 for COLA and other discretionary compensation adjustments and implementation of the compensation study
- Δ \$1,019 for State Legislature mandated change in retirement rates

#### **Fire**

#### Increases:

Δ \$88,573 for contractual adjustment with United Fire Authority

#### OPERATING AND CAPITAL BUDGET

#### **Police**

#### Increases:

- $\Delta$  \$63,114 for COLA and other discretionary compensation adjustments and implementation of the compensation study
- Δ \$49,214 for State Legislature mandated change in retirement rates
- $\Delta$  \$89,000 for gasoline, oil & grease based on anticipated price increases
- △ \$10,000 for contractual adjustment for City Hall rent
- $\Delta$  \$4,300 for off site evidence secured storage

#### Decreases:

- $\Delta$  -\$19,651 for one time grant amendments
- $\Delta$  -\$60,000 for one time asset forfeiture funds
- △ -\$36,023 for one time computer software upgrades
- ∆ -\$6,995 for miscellaneous adjustments
- Δ -\$74,223 for Health Insurance Premium rates

# DEBT SERVICE/LEASE EXPENSE /TRANSFERS AND OTHER EXPENDITURE BUDGET CHANGES

#### **Police Vehicle Lease**

Increases:

 $\Delta$  \$60,370 for new two year lease agreement

#### **Transfers**

Decreases:

Δ -\$78,355 Class C fund balance transfer to Capital Projects Fund

#### **CAPITAL PROJECTS FUND EXPENDITURES**

There are two very specific long term planning processes providing information for the development of the capital expenditures included in this budget. In February, 2006, the City Council formally adopted the city's current Transportation Capital Facilities and Storm Water Capital Facilities Plans. These plans reflect the outcomes of studies conducted by independent engineers, of the City's existing transportation and storm water infrastructure and their recommendations regarding needed maintenance and improvements.

The Transportation Plan evaluated the condition and identified the need for improvements to all facets of transportation infrastructure including streets, sidewalks, street lights, bridges, pavement management, and related rehabilitation. This plan classified needed improvements into two categories: 1) those recommended in FY2007 through FY2010 and 2) those recommended in FY2011 through FY2030. To accomplish this plan the city would need to budget \$1.5 to \$1.75 million each year for the first five years following the plans adoption. Projected costs beyond five years were too uncertain to be useful. Included on the list of the Capital Project Fund budgeted expenditures for FY2013 are \$981,106.

The Storm Water Plan identified and classified recommended capital projects into three categories; 1) those recommended in FY2007 through FY2011 and; 2) those recommended in FY2012 through FY2016; and 3) those not needed within ten years, but should be planned long range. To accomplish this plan the City would need to budget \$550,000 to \$700,000 each year for the ten years. Included on the list of the Capital Project Fund budgeted expenditures for FY2013 are \$38,000.

In addition to the \$1,019,106 of transportation and storm water projects mentioned previously is \$386,831 to complete the Big Cottonwood Trail system, \$50,000 for a long range financial strategic

#### OPERATING AND CAPITAL BUDGET

sustainability planning, which will bring together all strategic capital and other plans completed in the city and put forth recommended parameters to provide long range sustainability of the City's capital infrastructure and operations. Also is \$361,765 which is budgeted for emergency and small capital projects, and \$2,294,711 for a City Center and Park Development.

The General Fund will purchase small equipment and software, none of which is capitalized according to the city's capitalization policy. The Capital Project Fund projects are listed starting on page 225 and all of these projects are anticipated to have a one year timeline, meaning that they are all scheduled to be completed within one year. All of these projects budgeted in FY2013 are routine and none of them will impact operating expenditures in any material way. The city has no non-routine capital projects for FY2013. Some of these budgeted "projects" are activities conducted through the year such as "Street Lighting Program" where the budget is used throughout the year to replace and add street lights.

## **FUND BALANCES**

Utah Code Section 10-6-116 restricts the General Fund Balance from being used as a source to finance future expenditures unless the balance exceeds 5% of current (FY2012) total revenue. General Fund Balance may be accumulated until it exceeds 18% of total revenue and then the amount in excess of 18% must be appropriated to finance expenditures. City financial policy (**Fund Balance Policy**) provided for the city to accumulate the fund balance over several years until it reached 6% of total revenue and to use any fund balance in excess of 6% to finance future expenditures. At the end of FY2011 the 6% fund balance was equal to \$857,894. Of the total in excess of 6% of revenue (\$1,970,113), \$1,542,093 was budgeted as a source of funds to finance capital improvement projects, remaining grant funded projects and one Public Works vehicle. The FY2013 budget anticipates appropriating \$890,419 of the FY2011 remaining fund balance of \$1,377,632 to finance the General Transfer to the Capital Improvements Fund and other one time equipment purchases.

In the Capital Projects Fund any unspent appropriations lapse into the ending fund balance and are re-budgeted in the succeeding year to complete projects.

#### **EMPLOYEE BENEFITS FUND**

Personnel policies allow employees to accrue amounts of paid time off (PTO) a proportion of which will eventually vest and be paid to the employee upon retirement or separation from employment. The city council desires to accumulate a fund as these benefits are earned by employees that will assure that there are funds available to satisfy this accrued obligation when it is due. Accordingly there has been created an Employee Benefits Fund (an Internal Service Fund) to which the General Fund will make payments as the PTO is accrued each year. This Employee Benefits Fund will accumulate the funds necessary to pay the PTO obligation when it is due. Included in this document is a budget for the Employee Benefits Fund. Utah law does not require that this budget be formally adopted.



## **BUDGET POLICES AND PROCESSES**

#### **FINANCIAL POLICIES AND GOALS**

The goal the city hopes to achieve through the implementation of these policies is to demonstrate to citizens and other interested parties that the city takes seriously the responsibility to carefully account for public funds, to wisely manage finances and to plan adequate funding of services desired by our citizens. The watchwords of our financial management include integrity, prudence, stewardship, planning, accountability, and full disclosure.

# **Operating Budget Policies**

- The budget for each governmental fund will be balanced, which means appropriations will not exceed estimated expendable revenue, exclusive of one-time expenditures or capital improvement transfers.
- The city will cover current expenditures with current revenues. The city will avoid budgetary procedures that cover current expenditures at the expense of meeting future years' expenditures.
- The budget will provide for adequate maintenance of capital facilities and for the orderly replacement of equipment.
- The city will maintain a checks and balances system of verifying budget balances prior to making spending commitments.
- The city will prepare monthly reports comparing actual revenues and expenditures to budgeted amounts.
- Where possible the city will integrate performance measurement and productivity indicators within the budget.

## **Capital Projects Budget Policies**

- The city will develop and administer a five year plan for capital projects and informally update it annually or track compliance to plan annually.
- The city will enact an annual capital budget calculated to meet the multi-year Capital Improvement Plan. (The City is not currently meeting the requirements of this plan).
- The city will coordinate development of the capital project budget with the operating budget.
   Future operating costs associated with new capital projects will be projected and included in operating budgets.
- The city will prioritize maintenance of all assets at a level adequate to protect the city's capital investment and to minimize future maintenance and replacement costs.
- The estimated cost and potential funding sources for each capital project proposal will be identified before it is submitted to the Mayor and City Council for approval.
- The city will identify the least costly financing method for all new capital projects.

#### **Debt Management Policies**

- The city will confine long-term borrowing to capital projects and purchases of equipment.
- When the city finances capital projects by issuing bonds, it will pay back the bonds within a period not to exceed the expected useful life of the asset acquired.
- The city will not use long-term debt for current operations.
- The city will meet all debt service obligations when due.
- The city will retire any tax and revenue anticipation debt annually.

#### **Revenue Estimation Policies**

The city budget official will estimate annual revenues by an objective, analytical process. The city
will not include revenue in the budget that cannot be verified with documentation of its source
and amount.

# **Fund Balance Policy**

 In order to maintain and protect the long term financial capacity of the city, total fund balance in the General Fund will be maintained to achieve a balance of 6% of total General Fund expenditures.

# **Accounting, Auditing, and Financial Reporting Policies**

- The accounting system will report financial information on a basis consistent with Generally Accepted Accounting Principals.
- Regular monthly and annual financial reports will present a summary of financial activity to the city council and citizens.
- The City will contract with an independent certified public accounting firm to perform an annual audit; and will publicly issue their opinion on the city's financial statements, after preliminary presentation to the City Audit Committee.

#### **FUND BALANCE**

The City reports the difference between assets and liabilities in governmental funds as fund balance and further segregates fund balance as nonspendable, restricted, committed, assigned and unassigned. Unassigned fund balance in governmental funds is the City's measure of current available financial resources.

#### **BASIS OF MEASURING AVAILABLE REVENUE AND EXPENDITURES**

#### **Governmental Funds**

Transactions or events may take place in one fiscal year and result in cash receipts or payments in either the same fiscal year or another fiscal year. Accounting for and reporting a transaction in the fiscal year when a cash receipt or payment is made is called cash basis accounting. Accounting for the transaction in the fiscal year when the event takes place regardless of when cash is received or payment is made is called accrual or accrual basis of accounting. The city recognizes revenue and expenditures for both budgeting and audited financial reporting purposes in the fiscal year when the underlying event takes place. This would generally be described as an accrual measurement basis. However, there are some exceptions to this general accrual measurement basis, and when these exceptions are considered the budgetary basis for the governmental fund is called the Modified Accrual Basis of Accounting. The exceptions to the accrual basis are as follows:

#### Revenue

The City includes in available revenue only revenue that will be collected in cash within ninety days following the close of the fiscal year, if it was recognizable as of fiscal year end, and in the case of property tax revenue only revenue that will be collected within 60 days of the close of the fiscal year.

# **Expenditures**

The City includes Interest on long term debt as an expenditure in the year it is payable. Also, payments that will not be made within one year following the close of the fiscal year are not included in expenditures because of the current resources focus of these governmental funds.

The City does not include depreciation of its long term physical assets used in activities of the governmental funds as an expenditure of the funds. Purchases of long term physical assets are included as budgeted expenditures in the year purchased.

## **Proprietary Fund**

In its proprietary fund, the Employee Benefits Fund (an Internal Service Fund) the city's budget measurement basis is accrual with no modifications.

#### **DEBT AND DEBT LIMITS**

The City has no general long term debt that would impact long term debt limits.

The city's legal debt limit is 4% of the fair market value of its taxable property and is estimated to be \$104.01 million.

On June 30, 2012 the city had the following debt:

Capital Lease for Police Fleet	\$761,736.24
Fully funded employee benefits payable:	
(payable from the Employee Benefit	
Fund)	\$231,239.00
Total	\$992,975.24

In July of 2010 the City entered into a second Long-term Capital lease to procure the police fleet. The total debt service including interest for this lease is \$1,001,736.24. Payments are due on July 22, 2011 and on July 22, 2012. The City has a contract with the vendor who sold the fleet to the city that requires the vendor at the City's option to repurchase the fleet for \$746,953.06 on or before July 22, 2012 thus paying the debt in full.

Cash is accumulated and available to pay the employee benefits payable in the Employee Benefit Fund (an Internal Service Fund).

#### FUND STRUCTURE AND SYSTEM OF CLASSIFYING REVENUE AND EXPENDITURES

#### **Fund Structure**

All of the financial activity of the city is segregated into various funds. A fund is a fiscal and accounting entity; it is in substance an accounting segregation of financial resources each with cash and other assets, liabilities, and residual equity or balance. Generally Accepted Accounting Principles (GAAP) and the State Auditors Office have defined and classified funds used by all governments in the state. The city follows these fund definitions and have funds classified in two of the three standard categories; those two categories are called Governmental Funds and Proprietary Funds. The General Fund and the Capital Projects Fund are Governmental Funds and the Employee Benefit Fund (An Internal Service Fund) is a Proprietary Fund.

# CITY OF COTTONWOOD HEIGHTS FY2012-13 ANNUAL OPERATING AND CAPITAL BUDGET

POLICES AND PROCESSES BUDGET POLICES AND PROCESSES

The General Fund accounts for resources that are not required to be accounted for in any other fund. This fund accounts for the resources used to finance the daily operations of the city, including federal and state grants. Expenditures from this fund must be legally appropriated through the budget process annually.

The Capital Projects Fund accounts for resources used to renew, replace, and build new capital facilities and infrastructure in the City. Expenditures from this fund must be legally appropriated through the budget process.

The Employee Benefits Fund (An Internal Service Fund) is used to accumulate funds to pay for post employment benefits coming due to employees in future years. The City Council is not legally required to formally approve appropriations in this fund.

# **System of Classifying Revenue and Expenditures**

Revenues of the city are classified by fund, source, organizational unit, and program. Revenue is grouped into six divisions: Taxes, Licenses and Permits, Intergovernmental, Charges for Services, Fines and Forfeitures, and Miscellaneous. Expenditures are classified by fund, function or purpose, object or character, and program.

Capital expenditures are expenditures for capital assets. Capital assets consist of land, improvements to land, easements, buildings and improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations or provided to citizens and that have initial useful lives extending beyond a single reporting period. Capital expenditures may be made in either the General Fund or the Capital Projects Fund.

#### **MISSION STATEMENT AND FY2013 GOALS**

#### **Vision Statement**

The elected and appointed officials of Cottonwood Heights are committed to creating the best city in Utah in which to live, work, recreate and do business. We envision the city is a well-maintained, safe, family-friendly community that embraces the natural beauty and open space of its surroundings.

#### **Mission Statement**

The mission of Cottonwood Heights is:

"To maximize the quality of life for residents and facilitate the opportunity for success of compatible businesses in the city."

This mission is accomplished by:

- Promoting open, responsive and participatory governance
- Improving the quality, effectiveness, availability and efficiency of governmental services
- Analyzing new ideas and encouraging creativity and innovation
- Managing tax dollars through responsible budgeting
- Encouraging citizen involvement
- Espousing professionalism, integrity and ethical actions on the part of elected and appointed officials, employees, and volunteers
- Respecting property rights of both residential and commercial property owners and striving to achieve proper balance between land uses within the constraints of applicable law

# **FY2013 Citywide Goals**

**Cottonwood Heights** is governed under a Council/Manager form of government, as defined by Utah State Statute. The legislative body (City Council) consists of five members, one of whom is the Mayor and the Chairperson of the council. The Council has selected a City Manager who is given specific statutory responsibilities for the day to day administration of the city and to implement city policy as determined by the City Council.

In an effort to maximize the ability of both the City Council and the City Manager to effectively perform their statutory responsibilities, it has become a Cottonwood Heights' tradition for both entities, along with selected members of the City Manager's cabinet, to participate in a planning retreat for the purpose of setting goals on which to focus for the coming budget year which begins each year on July 1<sup>st</sup>. The results of the January 28th, 2012 retreat are summarized in the following list of general goals for FY2013, and more specific sub-objectives listed as bulleted items under each goal. These goals serve as the foundation for preparing the budget for the fiscal year. These goals, along with measureable objectives for accomplishment are found within each department/division section of this budget document. These goals are established in conjunction with stated objectives of other strategic and long range planning processes such as the Transportation and Storm Water Management Master Plans, Economic Development Study, etc.

# The Cottonwood Heights' City Goals for 2012-13 are as follows:

# 1) Customer Service (internal and external)

# Promote and emphasize an attitude of pleasantly assisting all customers with the goal of satisfactorily "resolving the issue" for the customer

- a) Departments of Cottonwood Heights will be customer service oriented
  - Departments will implement measurement techniques to identify key areas of customer service
  - ii) All departments will ensure that all staff are trained in customer service
- b) Budget an employee incentive program that rewards good customer service
  - i) All departments will develop methods of rewarding good customer service
- c) The City will facilitate annexations
- d) The City will complete a customer satisfaction survey conducted by a contracted third party
- e) Review and or implement General policies and procedures for all city volunteer committees

# 2) Communications

# Provide effective, clear communications to constituents

- **a)** Maintain a high level of communication with citizens including emergency communications through the Valley Journal News, city website, social media (facebook, twitter), and complaint/comment tracking system
  - i) Make better use of and enhance the City's business use of social media
- **b)** Enhance information systems through a plan for Server redundancy, over several years
- c) Refine efforts in noticing residents of all meetings and work in the public right of way, etc.

# 3) Emergency Preparedness

# Place greater emphasis on emergency preparedness planning

- a) Increase the number of personnel trained in NIMS coursework
- **b)** Update Emergency Support Function (ESF) components of recovery plan
- c) Enhance emergency management information systems through a plan for Server redundancy

# 4) Partnerships with other entities

# Foster and create partnerships with other Governmental agencies to leverage resources and maximize services

- a) Canyons School District
  - i) Collaborate on maximizing utilization of school owned property in Cottonwood Heights including maximizing green space at Butler Park
  - **ii)** Complete agreement regarding auditorium component of Butler Middle School for community cultural events
  - iii) Continue school banners under established guidelines
- **b)** Cottonwood Heights Parks and Recreation Service Area
  - i) Enhance collaboration on using combined resources and cooperation on community events
- c) Utah Transit Authority
  - *i)* Explore mass transit alternative methods of delivery for access to and utilization of canyon resources
- **d)** Other governmental entities within Salt Lake County
  - *i)* Refine feasibility study for delivery of public works and analyze and produce alternatives

- ii) Collaborate with Salt Lake County on improvements to Crestwood Park
- 5) Planning into the Future

Development of programs and plans to maximize the beneficial impact of planning, capital improvements and open space, parks, trails, and beautification

- a) Evaluate housing stock within the City and evaluate long range housing goals
- **b)** Update General Plan based on prioritized elements
- c) Analyze census data as it becomes available and apply analysis as needed
- d) Complete development of Big Cottonwood Trail as originally planned
- e) Appropriate yearly funding for a city center, possibly combining with a senior center
- **f)** Development of program to effectively manage and fund storm water system requirements mandated by the Federal Government
- 6) Implement Sound financial planning that contemplates future budgeting requirements and incorporates city objectives of maintaining infrastructure, fair pay and benefits for employees, and structural balance within the budget
  - **a)** We will do a five year strategic financial plan that will be ready for initial review during 2013 and updated each year thereafter
- 7) Recognize the importance of a strong and vibrant business community by seeking ways to support Cottonwood Heights businesses and diminishing red tape for businesses to thrive in our community
  - a) Consider affiliation with a Chamber of Commerce
  - **b)** Evaluate ways to utilize information from the city economic development study completed in 2011

## **BUDGET DEVELOPMENT AND ADMINISTRATION PROCESS**

The budget setting process begins midway through the current fiscal year. The Mayor and Council first identify needs and issues and alternative strategies to address the identified issues and needs. Simultaneously, the City Manager and Department Heads conduct the same analysis.

The objective is to determine goals that will be used to prioritize the allocation of scarce resources throughout the budget process. The primary product is the development of the city goals for the coming fiscal year. Some of these goals are refinements of continuing goals and some are new and address current needs and issues. The goals were presented beginning on page 69.

The following are tasks that must be completed during the last half of the City's fiscal year to develop and approve the budget document. The Council solicits public comment and input at the beginning of every business meeting, and when the budget is discussed it is an opportunity for citizen comment regarding the budget. Agendas notifying the public of such meetings are published throughout the community and on the city website where citizens may request agendas be sent to them automatically, by electronic means, before each meeting.

#### JANUARY/FEBRUARY

Goal setting and budget planning retreat held with the Mayor, City Council, City Manager and Finance Department.

Before the March 6<sup>th</sup> city council meeting a review is conducted by the budget officer with the City Manager and Department Heads regarding the current fiscal year budget and their plans and budget

estimates for the 2013 budget year. This also begins the final planning process for the capital expenditures portion of the new budget.

#### **MARCH**

Department directors and the City Manager meet weekly and refine the budget proposal.

## **APRIL**

Department directors and the City Manager meet weekly and refine the budget proposal.

# <u>MAY</u>

In a business meeting on May 1<sup>st</sup> the proposed budget is presented to the Mayor and City Council. The budget is adopted on May 8<sup>th</sup> as the tentative budget. They are asked to establish the time (May 22<sup>nd</sup> at 7:00 PM) and place (Cottonwood Heights Council Chambers, 1265 Fort Union Blvd #300) for a public hearing prior to considering its adoption.

#### **JUNE**

Arrange to have published (at least seven days prior to the hearing date) in a daily newspaper, the notice of a public hearing to consider revising the current year budget and adopting the 2013 budget.

The tentative budget is on file at the city offices and on the city's web site for public inspection until the June 19<sup>th</sup> meeting, at which time the City Council adopts the final budget and sets the final property tax rate.

The Mayor and City Council passes a resolution adopting the budgets and sets the property tax rate for the 2012 calendar year which provides the revenue for the 2013 fiscal year budget.

#### **BUDGET CONTROL AND MANAGEMENT**

All appropriations in this budget are assigned to a staff member for control and management. The information system provides monthly reports used by each person assigned to an appropriation to know what has been charged to "their" budget and the balance available. Department heads may reallocate appropriations for their departments with the approval of the Budget Officer.

Appropriation changes between the various departments may be accomplished with the approval of the City Council. Any increase in total appropriations for each fund must be approved by the City Council after proper notice to the citizens and a public hearing.